

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,) Case No. 5:21-cr-259
)
Plaintiff,)
) Cleveland, Ohio
vs.) Wednesday, January 17, 2024
) 8:44 a.m., Courtroom 15A
RONALD DiPIETRO,)
CHRISTOS KARASARIDES, JR.,)
and CHRISTOPHER KARASARIDES,) TRIAL DAY 2
)
Defendants.)
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REPORTER'S TRANSCRIPT OF PROCEEDINGS

BEFORE THE HONORABLE DONALD C. NUGENT,
SENIOR UNITED STATES DISTRICT JUDGE

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1 CLEVELAND, OHIO; WEDNESDAY, JANUARY 17, 2024; 8:44 A.M.

2 --oOo--

08:44:52 3 P R O C E E D I N G S

08:44:52 4 COURTROOM DEPUTY: All rise for the jury.

08:44:54 5 (Jury returned to courtroom at 8:44 a.m.)

08:45:56 6 THE COURT: Good morning, ladies and

08:45:57 7 gentlemen.

08:45:57 8 THE JURY: Good morning.

08:45:58 9 THE COURT: Have a seat.

08:45:59 10 You notice we are missing our poor Juror No. 2. Did

08:46:03 11 you guys see him down there this morning?

08:46:05 12 Yeah. Did he tell you that his daughter's in the

08:46:09 13 hospital and whatnot? Pretty good excuse. Much more

08:46:13 14 important that he be there with her. So there we go, right?

08:46:16 15 And took a little extra time for you because I told

08:46:18 16 you that Steve, when left to his devices, he could bring

08:46:22 17 some good stuff. So, you had rolls and whatever else. And

08:46:26 18 let's hope he can keep it up for the whole time here.

08:46:32 19 All right. I think you're ready to question Garret.

08:46:37 20 MR. PARKER: Thank you, Your Honor.

08:46:41 21 THE COURT: So I wanted to give you a couple

08:46:43 22 extra minutes so when you see it, you can have a cup of

08:46:46 23 coffee and have something.

08:46:52 24 MR. PARKER: Good morning.

08:46:53 25 THE WITNESS: Good morning.

1

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2

CROSS-EXAMINATION OF GARRET JORDAN

08:46:54

3

BY MR. PARKER:

08:46:54

4

Q I want to ask you first about the timing of your involvement in this case.

08:46:57

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08:46:58

6

Do you understand?

08:46:59

7

A Yeah.

08:46:59

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Q All right. So you began working on this audit in 2011; correct?

08:47:03

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08:47:03

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A Yes.

08:47:04

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Q And you were done in 2012?

08:47:05

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A Yes.

08:47:06

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Q So at that point you essentially stepped away from this case for a while?

08:47:09

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08:47:10

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A Correct.

08:47:11

16

Q In fact, you even transferred to a different division within your office?

08:47:13

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08:47:16

18

A In 2020 I changed.

08:47:20

19

Q Okay. And during that whole span of time you hadn't heard anything else about Christos Karasarides or Ron DiPietro?

08:47:24

20

08:47:30

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22

A Correct.

08:47:30

23

Q All right. And then you were contacted again around November of 2023; is that right?

08:47:33

24

08:47:34

25

A October.

08:47:35 1 Q October. Okay.

08:47:36 2 And you met with agents for the government in

08:47:40 3 November; right?

08:47:40 4 A Yes.

08:47:41 5 Q Okay. So that was when this case came back around to
08:47:44 6 you essentially?

08:47:44 7 A Correct.

08:47:45 8 Q Okay. Next I want to talk about the efforts that
08:47:50 9 Mr. Karasarides did make to comply with the tax law.

08:47:52 10 You understand that?

08:47:53 11 A I believe so.

08:47:54 12 Q Okay. So you send him this notice that he was being
08:48:01 13 auditing?

08:48:01 14 A Yes, in 2011.

08:48:04 15 Q And he promptly responded to you?

08:48:07 16 A Yes.

08:48:09 17 Q He had hired a CPA to help him address the matter?

08:48:11 18 A Correct.

08:48:12 19 Q Okay. He didn't drag his feet there?

08:48:17 20 A No. There was -- there was some stalling in the audit
08:48:21 21 where Mr. DiPietro informed me that he was trying to buy his
08:48:27 22 client time, so I think that slowed the audit process down
08:48:29 23 some, but I think that's not too uncommon for an audit.

08:48:34 24 Q It's not uncommon?

08:48:36 25 A To answer that question, you know, hey, was he

08:48:38 1 stalling, I don't know. So -- there was some intentional
08:48:42 2 stalling that they informed me of during the audit.

08:48:44 3 **Q** He didn't hesitate to respond to the notice and to
08:48:47 4 hire a CPA to represent him?

08:48:49 5 **A** Correct.

08:48:52 6 **Q** For 2009 and 2010, he agreed to assessed tax amounts?

08:48:57 7 **A** Correct.

08:48:57 8 **Q** Okay. In 2011 he made a payment of about \$50,000
08:49:06 9 toward his tax balance?

08:49:07 10 **A** I'd have to look to see the year, but there was a
08:49:10 11 \$50,000 payment made. You might have the date there, but
08:49:12 12 with the 2009 return, I think it was a \$5,000 payment. And
08:49:15 13 then a \$50,000 payment was made, I think -- you might have
08:49:19 14 the date there, but I think that was later, possibly after
08:49:22 15 my audit was done.

08:49:25 16 **Q** We --

08:49:26 17 **A** You were asking about the \$50,000 payment though.

08:49:28 18 **Q** We agree that payment was made one of these years?

08:49:32 19 **A** Yes.

08:49:33 20 **Q** Okay. No, I want to talk to you about the change in
08:49:36 21 Mr. Karasarides' financial circumstances. So first let's
08:49:40 22 talk about the year prior to 2014. Understand?

08:49:42 23 **A** Yes.

08:49:42 24 **Q** Now, prior to 2014, he's reporting incomes that are in
08:49:47 25 the hundreds of thousands or some years even over a million

08:49:51 1 dollars?

08:49:51 2 **A** Yes.

08:49:51 3 **Q** Okay. And the types of income that he had for those
08:49:55 4 years was self-employment income?

08:49:59 5 **A** Yes, self-employment. And then W-2 -- I'd have to
08:50:03 6 look at the year, but then W-2 income. But yes,
08:50:09 7 self-employed income in the hundreds of thousands of dollars
08:50:09 8 for some of those years.

08:50:10 9 **Q** Primarily self-employment income for those years?

08:50:13 10 **A** Yes.

08:50:14 11 **Q** Okay. So he had a business involved in this
08:50:16 12 sweepstakes software?

08:50:19 13 **A** Yes.

08:50:20 14 **Q** That was one of the things he filed the Schedule C
08:50:23 15 for?

08:50:23 16 **A** Yes.

08:50:24 17 **Q** Okay. Now, what is a sweepstakes? How does it work?

08:50:27 18 **A** Similar to yesterday, a customer comes in, pays some
08:50:31 19 money to -- I don't know if points is the right word, but
08:50:33 20 they get some points or tokens to play what they described
08:50:38 21 as skill-based games. And based on their winnings there,
08:50:43 22 they could enter into sweepstakes to get -- to gain rewards.

08:50:50 23 **Q** McDonald's has sweepstakes, don't they?

08:50:55 24 **A** Yes.

08:50:55 25 **Q** You buy a hamburger, and then you get a chance to win

08:50:58 1 a prize, essentially?

08:50:59 2 **A** Yes.

08:51:00 3 **Q** Okay. Do you have any knowledge of what the legality
08:51:02 4 of that business model was at that time?

08:51:03 5 **A** I don't think a great understanding. I knew the State
08:51:08 6 of Ohio -- you know, during the pre-audit process we look
08:51:12 7 up, hey, what might the circumstances might be. There were
08:51:14 8 questions about the legality of internet cafes. So, you
08:51:18 9 know, we use the word "sweepstakes." That's how it was
08:51:23 10 described to me by your client there.

08:51:26 11 But I think the common debate was, hey, is this
08:51:29 12 gambling or sweepstakes internet cafe, are those legal. I
08:51:33 13 think that was going around during the time of the audit, so
08:51:36 14 I was aware of that during the time of the audit, pre-audit
08:51:38 15 and throughout the audit.

08:51:40 16 **Q** Now, we discussed yesterday the tax code that he put
08:51:43 17 down for his Schedule C for that business.

08:51:47 18 **A** Oh, the NAICS code, yes.

08:51:49 19 **Q** I'm sorry, what is it called?

08:51:50 20 **A** NAICS.

08:51:51 21 **Q** Okay.

08:51:52 22 **A** I think it was reference to something else yesterday,
08:51:54 23 but it's a NAICS, NAICS code.

08:51:55 24 **Q** Got it. And, you know, that's for -- the code for
08:51:59 25 casinos for gambling businesses?

08:52:00 1 **A** Correct.

08:52:01 2 **Q** So when the accountant for Jack casino is getting
08:52:05 3 their taxes prepared for the year, that's the same code that
08:52:08 4 person would use?

08:52:09 5 **A** Possibly.

08:52:11 6 **Q** Jack is a casino?

08:52:12 7 **A** Yeah. So casino and casino-related businesses, so I
08:52:17 8 can't -- I couldn't tell you what all of the businesses that
08:52:18 9 would fall under that would be. But that would make sense
08:52:21 10 if they used that, so I think that's what you're asking.

08:52:24 11 **Q** You don't know what all of them would be, but it seems
08:52:27 12 safe to assume that Jack would be one of the ones that fall
08:52:30 13 under that?

08:52:30 14 **A** It could. But there are usually several for related
08:52:33 15 business. For construction, there are numerous codes that
08:52:36 16 all relate to construction. Some or specialty, some are --
08:52:39 17 you know, woodwork, carpentry. So I would assume that would
08:52:43 18 be similar for maybe casino and gambling. And I don't know.
08:52:45 19 I don't know what those are.

08:52:47 20 **Q** Okay. Now, for Schedule C, you're supposed to say
08:52:49 21 what the primary business or profession is; correct?

08:52:52 22 **A** Yes.

08:52:53 23 **Q** Okay. So for this business that we've been talking
08:52:55 24 about, Mr. Karasarides said that the primary business or
08:52:59 25 profession was vending?

08:53:01 1 **A** Yeah. That's what the Schedule C showed was vending.

08:53:04 2 **Q** Now, that's -- there's no requirement that he be more
08:53:06 3 elaborate or specific with that, is there?

08:53:08 4 **A** No.

08:53:08 5 **Q** So vending, that's a perfectly adequate description of
08:53:12 6 his business? Well, from the point of view of what's
08:53:16 7 required for Schedule C.

08:53:17 8 **A** For what's required, that's adequate to put that on
08:53:20 9 there to describe it, yes.

08:53:21 10 **Q** Okay. So let's say that I as a lawyer have -- I'm a
08:53:26 11 sole practitioner, right, I run my own shop?

08:53:29 12 **A** Yes.

08:53:29 13 **Q** Let's say I have some people I represent in maybe
08:53:33 14 divorce matters.

08:53:33 15 **A** Sure.

08:53:34 16 **Q** Let's say I represent a couple of local businesses.
08:53:37 17 They pay me to write contracts for them, things like that.

08:53:40 18 **A** Yes.

08:53:41 19 **Q** Now, you're not going to expect to see the names of
08:53:43 20 each of those businesses on my tax returns?

08:53:50 21 **A** Okay. So on your Schedule C, if you had a Schedule C,
08:53:53 22 you would call it one title -- you could describe it --
08:54:08 23 probably your primary source of income is what you would put
08:54:10 24 on there.

08:54:12 25 Is that answering what you're asking? Saying, hey,

08:54:15 1 you have multiple aspects of your business. You wouldn't be
08:54:17 2 expected to put on there contracts, legal work, filing work.
08:54:21 3 That wouldn't be in your title in this -- you know, in the
08:54:24 4 vending type label arena.

08:54:26 5 **Q** I might say that my primary business is legal
08:54:30 6 services?

08:54:30 7 **A** Yes, exactly.

08:54:31 8 **Q** And then any income I make as a lawyer I could put on
08:54:33 9 that Schedule C?

08:54:34 10 **A** Correct.

08:54:35 11 **Q** It doesn't matter if it's coming from multiple
08:54:38 12 sources?

08:54:38 13 **A** Correct.

08:54:38 14 **Q** Okay. Similarly, let's say I drove for one of the
08:54:43 15 ride-share apps to make money. So my primary business might
08:54:49 16 be driving?

08:54:50 17 **A** Yes.

08:54:51 18 **Q** And then if I drove separately for Uber and what is
08:54:57 19 it, Lyft is their competitor, I would still only need one
08:55:00 20 Schedule C?

08:55:00 21 **A** Yeah. Depending on how you have your business set up,
08:55:04 22 you can do that and that would make sense.

08:55:07 23 **Q** And I would put my Lyft income on that Schedule C?

08:55:10 24 **A** Yes.

08:55:11 25 **Q** And I would put my Uber income on that Schedule C?

08:55:13 1 **A** Yes.

08:55:15 2 **Q** So similarly, any income that Mr. Karasarides makes
08:55:19 3 through his work vending would go on that Schedule C?

08:55:23 4 **A** It could.

08:55:23 5 **Q** Even though it might be coming from multiple sources?

08:55:27 6 **A** It could.

08:55:30 7 **Q** Now, the other self-employment business, or one of
08:55:33 8 them, that he was putting on his Schedule Cs for those years
08:55:37 9 was professional gambling?

08:55:38 10 **A** Yes.

08:55:40 11 **Q** Do you -- what -- how much do you know about how
08:55:43 12 gambling is taxed?

08:55:45 13 **A** I think a fair amount.

08:55:46 14 **Q** Okay. So at least at the time he was filing these
08:55:52 15 returns, he's allowed to deduct his losses from his wins in
08:55:56 16 gambling?

08:55:56 17 **A** Correct.

08:55:57 18 **Q** And he's even allowed to declare a net loss for
08:56:00 19 gambling for the year?

08:56:02 20 **A** I think that would be questionable, but you can take
08:56:05 21 your losses up to the amount of your earnings.

08:56:08 22 **Q** Hasn't -- wasn't the law amended later in time than
08:56:13 23 the tax returns we're talking about to remove the ability to
08:56:16 24 declare a loss?

08:56:20 25 **A** I don't know the time frame for that.

08:56:23 1 Q And you can also declare business expenses as a
08:56:28 2 professional gambler?

08:56:30 3 A Yes.

08:56:30 4 Q That could include things like travel?

08:56:32 5 A Yes.

08:56:34 6 Q Now, he was declaring large amounts both as wins and
08:56:38 7 losses as a professional gambler?

08:56:40 8 A Yes.

08:56:40 9 Q I mean, some years there were hundreds of thousands,
08:56:43 10 maybe even an amount over a million in wins?

08:56:45 11 A Yes.

08:56:46 12 Q And some years similar amounts in losses?

08:56:50 13 A Yes.

08:56:51 14 Q So the amount of cash that he's got on hand could
08:56:55 15 change significantly pretty quickly based on that kind of
08:56:59 16 gambling activity?

08:57:00 17 A Yes.

08:57:02 18 Q Now, let's talk about Mr. Karasarides' circumstances
08:57:06 19 after 2014; okay?

08:57:07 20 A Okay.

08:57:08 21 Q Do you know of any significant life event that would
08:57:12 22 have happened to him in 2014 that could have changed his
08:57:14 23 circumstances?

08:57:15 24 A I knew he was in jail. I didn't know the extent or
08:57:17 25 time frame until -- until I was informed yesterday.

08:57:22 1 Q Okay. So do we think that happened sometime around
08:57:25 2 2014?

08:57:25 3 A Yes.

08:57:27 4 Q So, after 2014, first off, the amount of income is
08:57:32 5 significantly less?

08:57:33 6 A Yes.

08:57:35 7 Q In 2015, he declares \$50,000 of income?

08:57:40 8 A Yes.

08:57:40 9 Q And the next year, 2016, it was 70,000; correct?

08:57:44 10 A That sounds correct, yes.

08:57:46 11 Q And he's not declaring self-employment income for
08:57:50 12 these years?

08:57:51 13 A Correct.

08:57:51 14 Q So no Schedule Cs?

08:57:53 15 A Correct.

08:57:53 16 Q And no Schedule Es?

08:57:55 17 A Correct.

08:57:56 18 Q So if he was no longer involved in these businesses
08:58:00 19 that he previously had been filing those forms for, it would
08:58:03 20 make sense to no longer file them in 2015 and 2016?

08:58:07 21 A Correct. If you're not -- if you don't have a
08:58:09 22 business, you don't file a business return.

08:58:11 23 Q Okay. And he's getting W-2s from those years?

08:58:15 24 A Yes.

08:58:15 25 Q So that would be employment where tax was withheld?

08:58:19 1 **A** Correct.

08:58:21 2 **Q** Now, it was also mentioned yesterday that he did not
08:58:24 3 file tax returns for 2017 and for 2018?

08:58:29 4 **A** Yes.

08:58:30 5 **Q** Do we know anything about any kind of significant life
08:58:37 6 events within those years that might have affected why he
08:58:40 7 did or didn't file?

08:58:41 8 **A** I don't know his life events for '17 or '18 that would
08:58:46 9 affect filing.

08:58:47 10 **Q** Do we know anything that happened to him in 2018 that
08:58:50 11 might have affected his ability to access the information or
08:58:53 12 the documents that he would have needed to do that?

08:58:54 13 **A** I do not know.

08:58:55 14 **Q** Okay. And, you know, just again, coming up back to
08:58:59 15 what your involvement is, your role is to audit taxes and
08:59:03 16 determine the amount of liability?

08:59:05 17 **A** Correct.

08:59:06 18 **Q** You're not involved in collecting on tax liability?

08:59:10 19 **A** That's incorrect.

08:59:11 20 So, we talked yesterday a touch about I'm a revenue
08:59:17 21 agent, so my primary role is to assess a tax liability. And
08:59:23 22 the revenue officers, that department is -- their primary
08:59:26 23 role is to collect on those -- on liabilities, typically --
08:59:31 24 sometimes determined by exam but other ways as well. But
08:59:35 25 the revenue agents, we still do -- you know, we solicit for

08:59:39 1 payment, and we do have the authority to set up payment
08:59:43 2 plans.

08:59:45 3 In my work here for 2009, 2010, we didn't work to set
08:59:49 4 up a payment plan, but we have that authority so we do cover
08:59:53 5 that. We can set up payment plans with someone who has a
08:59:57 6 tax debt from our examination. Now, we wouldn't collect on
09:00:00 7 other things, just our own -- you know, our own inventory,
09:00:03 8 our own cases.

09:00:04 9 **Q** The primary responsibility for collecting on a tax
09:00:07 10 liability lies with the revenue officer and not the revenue
09:00:11 11 agent?

09:00:12 12 **A** Correct. Correct.

09:00:14 13 **Q** And again, you wouldn't have been involved, just given
09:00:17 14 your time -- the timing of your involvement, with any
09:00:20 15 collection efforts that would have happened in between 2012
09:00:23 16 and the present date?

09:00:25 17 **A** Oh, okay. So from 2012 to present, I had no -- no
09:00:30 18 involvement in collecting -- determining tax or collecting
09:00:34 19 tax.

09:00:34 20 **Q** Or any real involvement or knowledge of what further
09:00:38 21 investigation would have been done after those dates into
09:00:41 22 Mr. Karasarides' taxes?

09:00:41 23 **A** Correct. Nothing after 2009, 2010 tax years, which I
09:00:46 24 stopped involvement late 2012.

09:00:52 25 MR. PARKER: Okay. Thank you.

09:00:58 1 THE COURT: Mr. Parker, is that it?

09:01:00 2 MR. PARKER: Yes. Nothing further.

09:01:02 3 THE COURT: Mr. Kersey, any questions?

09:01:03 4 MR. KERSEY: I have no questions. Thank you,
09:01:05 5 Judge.

09:01:05 6 THE COURT: Thank you.

09:01:05 7 You may redirect if you wish, Mr. Bean.

09:01:10 8 MR. BEAN: Yes, please, Your Honor.

09:01:14 9 - - - - -

10 REDIRECT EXAMINATION OF GARRET JORDAN

09:01:15 11 BY MR. BEAN:

09:01:15 12 **Q** Mr. Jordan, yesterday you testified about what a
09:01:19 13 sweepstake is, and today Mr. Parker asked you about it again
09:01:22 14 and you provided some testimony.

09:01:24 15 How do you know what that business was and what it
09:01:28 16 involved?

09:01:29 17 **A** Based on what Mr. Karasarides and Mr. DiPietro
09:01:32 18 informed me of.

09:01:34 19 **Q** And in the course of when they were talking to you
09:01:36 20 about that business, did they ever mention that involved
09:01:41 21 skill games businesses?

09:01:42 22 **A** Yeah. That's -- so, they used the term "sweepstakes"
09:01:45 23 for what the games were, and they said that those games were
09:01:47 24 skill-based games.

09:01:49 25 **Q** Did they ever use the phrase -- talk about it

09:01:51 1 involving gambling?

09:01:55 2 **A** I don't recall them saying that what they were doing
09:01:58 3 was gambling. I think they made a strong point to call it
09:02:01 4 skill-based gaming.

09:02:03 5 **Q** Did they describe it as -- or yesterday you testified
09:02:05 6 about a business called VS2?

09:02:08 7 **A** Yes.

09:02:08 8 **Q** Did they talk about how VS2 was involved?

09:02:12 9 **A** So I think I informed somewhat of yesterday is they
09:02:16 10 would pay Mr. Karasarides for his selling of the gaming
09:02:22 11 software and trying to expand, you know, that software sales
09:02:28 12 and increase internet cafe locations.

09:02:37 13 **Q** Did they describe the business involving internet
09:02:39 14 cafe?

09:02:39 15 **A** Yeah. I understood them to be internet cafes. That's
09:02:44 16 the term they used, and I think that was -- publicly that's
09:02:45 17 the term that's used as well, that I know of.

09:02:51 18 **Q** When you began the audit of Mr. Karasarides, how did
09:02:56 19 you -- I think you testified yesterday that there was no
09:02:59 20 2009 tax return filed.

09:03:00 21 **A** Correct.

09:03:02 22 **Q** Did you have some knowledge that Mr. Karasarides had
09:03:05 23 received income in 2009?

09:03:07 24 **A** Yes.

09:03:07 25 **Q** How did you have that information?

09:03:10 1 **A** For the audit of VS2 where I saw payments being made
09:03:15 2 from VS2, and they -- to Mr. Karasarides. And they also
09:03:19 3 issued a 1099 form showing commissions income to
09:03:24 4 Mr. Karasarides.

09:03:25 5 **Q** What is a Form 1099?

09:03:27 6 **A** So that would be what a business or an individual
09:03:31 7 could pay a worker for their services. They'd call it
09:03:35 8 commission income rather than -- as opposed to employment
09:03:38 9 income. So, they paid and issued a 1099 for payments made
09:03:43 10 for services. That's the -- probably the basic definition.

09:03:46 11 **Q** And does the IRS receive that 1099?

09:03:49 12 **A** Yes.

09:03:49 13 **Q** So, going into the audit, you already knew that
09:03:54 14 Mr. Karasarides had income in relation to this VS2 business?

09:03:59 15 **A** Yes. So we -- yeah. There's unreported income. No
09:04:02 16 return filing -- no return filed and known income.

09:04:08 17 **Q** Now, what about with gambling. I think yesterday
09:04:12 18 Mr. Fedor asked you about a W-2G.

09:04:17 19 **A** Yes.

09:04:18 20 **Q** What's that?

09:04:18 21 **A** So, typically would be a casino, but I'll just use the
09:04:23 22 term "casino" because that's the most common.

09:04:26 23 So if -- when someone would gamble at a casino, the
09:04:30 24 casino has requirements to report winnings and losses for
09:04:35 25 their customers, and they report that on a W-2G. Sometimes

09:04:42 1 they will withhold federal income tax, not in this case, but
09:04:45 2 that W-2G would also show -- could show withholdings if
09:04:52 3 withholdings were done. They sometimes show what type of
09:04:56 4 gambling was done, and they would -- might put that on the
09:04:59 5 return. I find them to be sometimes missing some of that
09:05:02 6 information.

09:05:02 7 **Q** Does the IRS receive W-2Gs?

09:05:05 8 **A** Yes.

09:05:06 9 **Q** So were you aware that W-2Gs had been filed during
09:05:10 10 your audit for Mr. Karasarides?

09:05:11 11 **A** Yes.

09:05:12 12 **Q** So, again, with the Schedule C regarding professional
09:05:15 13 gambling, you went in knowing that Mr. Karasarides had
09:05:18 14 income from professional gambling?

09:05:20 15 **A** Yes. At that time I didn't think of it as
09:05:23 16 professional when I picked it up, but, yes. So I knew he
09:05:27 17 had gambling income from those W-2G forms that were filed
09:05:32 18 to -- issued to him, and the 1099s.

09:05:36 19 MR. BEAN: Can we please pull up Exhibit 183
09:05:48 20 and. . . I don't have it.

09:05:50 21 COURTROOM DEPUTY: I have to do the shutdown
09:05:51 22 consequence.

09:05:51 23 Anything up there on your screen?

09:05:53 24 THE JURY: Nothing.

09:05:56 25 COURTROOM DEPUTY: Let's try this again.

09:05:58 1 (Brief pause in proceedings.)

09:07:31 2 MR. BEAN: Can we go. . . 184.

3 BY MR. BEAN:

09:07:39 4 **Q** We have Mr. Karasarides' 2009 tax return here. We
09:07:42 5 looked at it yesterday. And could we go to -- a couple
09:07:47 6 pages down to the Schedule C?

09:07:52 7 MR. HOWELL: What exhibit are we looking at?

09:07:55 8 MR. BEAN: 184.

9 MR. HOWELL: Which page?

09:07:57 10 MR. BEAN: Page 4 of the exhibit.

09:07:59 11 BY MR. BEAN:

09:07:59 12 **Q** Now, you testified about what business this was; is
09:08:02 13 that right?

09:08:02 14 **A** Yes.

09:08:02 15 **Q** Can you remind us, what business is this and what was
09:08:06 16 involved in the business?

09:08:06 17 **A** It was described to me as the selling of sweepstakes
09:08:10 18 software.

09:08:11 19 **Q** And is this -- when you've talked about internet cafe,
09:08:15 20 is -- when you talk about internet cafes, is it this
09:08:18 21 business?

09:08:18 22 **A** I understood this to be the selling of sweepstakes,
09:08:21 23 not income from an internet cafe is how I understood it.

09:08:25 24 **Q** So something like internet cafes would be different?

09:08:28 25 **A** That's how I understand it.

09:08:30 1 Q Reported differently?

09:08:30 2 A Yes.

09:08:31 3 Q All right. Did you have conversations with

09:08:35 4 Mr. DiPietro about what went into this Schedule C, how the
09:08:39 5 information was here, what business this was?

09:08:41 6 A Yes.

09:08:41 7 Q Okay. Did he ever tell you that this business
09:08:45 8 involved gambling businesses?

09:08:47 9 A No.

09:08:48 10 Q Did he ever mention a business called Skilled Shamrock
09:08:51 11 was involved in this?

09:08:52 12 A No.

09:08:52 13 Q How about a business called Redemption?

09:08:55 14 A No.

09:08:55 15 Q All right.

09:08:56 16 MR. BEAN: Could we go to the next page,
09:08:58 17 please?

09:09:00 18 BY MR. BEAN:

09:09:01 19 Q All right. On this Schedule C, does Mr. Karasarides
09:09:03 20 take a -- report miles he drove for the business?

09:09:07 21 A No.

09:09:08 22 Oh, yes. Sorry. Yes. Yeah. Thank you for circling.

09:09:12 23 Q And how many -- how many?

09:09:15 24 A About 42,000.

09:09:16 25 Q And was it explained to you why miles -- he had miles

09:09:19 1 driven for the business?

09:09:20 2 **A** Yeah. Traveling to internet cafes to do sales and to
09:09:27 3 solicit other -- you know, people who sell it already, to do
09:09:31 4 more of the sweepstakes and for them to set up additional
09:09:35 5 cafes, not necessarily the same people to set up but
09:09:38 6 soliciting new customers.

09:09:40 7 **Q** And are you -- have you come across other individuals
09:09:42 8 who are involved in sales who report a Schedule C?

09:09:44 9 **A** Yes.

09:09:44 10 **Q** Is people in that line of business, is it pretty
09:09:48 11 common for them to report miles driven?

09:09:49 12 **A** Yes.

09:09:51 13 **Q** And does he report cell phone expenses?

09:09:54 14 **A** Yes.

09:09:55 15 **Q** And again, is it -- in your experience, is it pretty
09:09:58 16 common for someone in sales to report something like cell
09:10:02 17 phone expenses?

09:10:02 18 **A** Very.

09:10:03 19 **Q** All right. Now, 2010, there isn't a Schedule C;
09:10:07 20 right?

09:10:08 21 **A** Correct.

09:10:09 22 **Q** And is that because you prepared the tax paperwork
09:10:14 23 because no return was filed?

09:10:15 24 **A** Yeah. So the exam filed a return for Mr. Karasarides.

09:10:19 25 **Q** Now, I think yesterday you testified that you had

09:10:23 1 conversations with Mr. DiPietro about what would go onto
09:10:26 2 that tax return and how the income would be reported; is
09:10:29 3 that correct?

09:10:29 4 **A** Correct.

09:10:29 5 **Q** And in the course of those conversations did you talk
09:10:32 6 about the sweepstakes business and his sales in that
09:10:36 7 sweepstakes business?

09:10:37 8 **A** Yes.

09:10:37 9 **Q** And was one of your goals to figure out how much
09:10:41 10 income he had for that business?

09:10:42 11 **A** Exactly.

09:10:44 12 **Q** And report it similarly, maybe not in the exact same
09:10:47 13 form, but similarly to how it was done on the 2009 tax
09:10:51 14 return?

09:10:51 15 **A** Correct.

09:10:51 16 **Q** In the course of those conversations did he ever tell
09:10:54 17 you about Mr. Karasarides having gambling businesses?

09:10:57 18 **A** Not outside of the professional gambling.

09:10:59 19 **Q** How about a business called Skilled Shamrock?

09:11:02 20 **A** No.

09:11:02 21 **Q** How about a business called Redemption?

09:11:05 22 **A** No.

09:11:06 23 **Q** Now, yesterday Mr. Fedor asked you if -- we looked at
09:11:12 24 the Schedule Cs -- you and I had looked at the Schedule Cs
09:11:15 25 for 2011, '12, '13, and '14. And Mr. Fedor asked you, based

09:11:21 1 on your acknowledge, could the Schedule Cs for the vending
09:11:25 2 businesses, in theory, have been -- involved a gambling
09:11:29 3 business?

09:11:29 4 **A** It's allowable to do that.

09:11:31 5 **Q** Right. But he was asking you if, in theory, on this,
09:11:35 6 on the Schedule C we're looking at, it could have been a
09:11:39 7 gambling business?

09:11:40 8 **A** I had no evidence to show that.

09:11:41 9 **Q** And I think you -- when we had looked at the Schedule
09:11:45 10 Cs, you had testified that you believed that they were
09:11:47 11 consistent with the business that's reported on this
09:11:50 12 Schedule C; is that right?

09:11:51 13 **A** Correct.

09:11:51 14 **Q** All right.

09:11:52 15 MR. BEAN: Can we please go to the 2014 tax
09:11:55 16 return, which is Exhibit 109, please.

09:12:02 17 BY MR. BEAN:

09:12:02 18 **Q** Now, Mr. Parker just asked you about any events in
09:12:06 19 2014 that might have changed Mr. Karasarides' situation.
09:12:09 20 Isn't that right?

09:12:09 21 **A** Yes.

09:12:10 22 **Q** And I believe you testified you -- you believed he had
09:12:14 23 gone to jail at some point?

09:12:15 24 **A** Correct.

09:12:16 25 **Q** Do you know what part of time of the year he went to

09:12:18 1 jail?

09:12:19 2 **A** Not a clue.

09:12:20 3 **Q** Now, if an individual has a business during part of
09:12:23 4 the year but not through the whole year, are they still
09:12:27 5 required to report that business that they had for part of
09:12:29 6 the year?

09:12:29 7 **A** Yeah. Required to report all income from all sources,
09:12:31 8 yes.

09:12:32 9 **Q** And, so, if Mr. Karasarides was reporting this income
09:12:38 10 on a Schedule C, do you agree with me there should probably
09:12:41 11 be a Schedule C in here for that?

09:12:43 12 **A** If there's income from a business for that year, it
09:12:46 13 should be reported, and the Schedule C would be the way to
09:12:48 14 do that.

09:12:49 15 MR. BEAN: Carissa, can you please just flip
09:12:51 16 through this tax return so we can look at each place -- each
09:12:56 17 page?

09:12:56 18 Mr. Jordan, I'm going to ask you to stop me when we
09:13:00 19 get to a Schedule C for a vending business, or anything
09:13:03 20 similar.

09:13:03 21 THE WITNESS: Yeah.

09:13:07 22 (Brief pause in proceedings.)

09:13:20 23 THE WITNESS: There we -- there's your
09:13:21 24 Schedule C.

09:13:22 25 BY MR. BEAN:

09:13:22 1 Q And for what type of business?

09:13:23 2 A Gambling.

09:13:24 3 Q Okay. So, is this a vending business here?

09:13:26 4 A No.

09:13:28 5 Q Is this consistent with the professional gambling that
09:13:31 6 you had been told about?

09:13:32 7 A Yes.

09:13:33 8 Q All right.

09:13:34 9 MR. BEAN: You can keep going.

09:13:51 10 (Brief pause in proceedings.)

09:13:51 11 THE WITNESS: So there was not a -- there was
09:13:53 12 not a second Schedule C, which is the self-employed
09:13:57 13 business. There was a Schedule E on there, but I didn't
09:14:00 14 see -- in the quick scan, there's not any business reported
09:14:03 15 there.

09:14:04 16 BY MR. BEAN:

09:14:04 17 Q Okay. So, from Mr. Fedor's question, could gambling
09:14:10 18 businesses have been reported on Mr. Karasarides' 2014 tax
09:14:13 19 return?

09:14:14 20 A It doesn't look like that to me.

09:14:18 21 MR. BEAN: Could we go back to Exhibit 184,
09:14:21 22 please, quickly? And if we could go to Page 4 again.

09:14:27 23 BY MR. BEAN:

09:14:27 24 Q Now, you testified that you were told by Mr. DiPietro
09:14:29 25 that this business related to VS2 -- the sweepstakes?

09:14:34 1 **A** Yes.

09:14:34 2 **Q** Which you knew about the sweepstakes going into the
09:14:38 3 audit; right?

09:14:38 4 **A** Yes.

09:14:39 5 MR. BEAN: And if we could go to the next
09:14:43 6 Schedule C.

09:14:43 7 BY MR. BEAN:

09:14:43 8 **Q** And you testified that this business relates to his
09:14:45 9 professional gambling. This is Page 6.

09:14:48 10 **A** Correct.

09:14:49 11 **Q** And going into the audit, you had known that
09:14:53 12 Mr. Karasarides did some gambling; right?

09:14:54 13 **A** Yes. There are extensive documents, W-2Gs.

09:14:59 14 **Q** All right. Did Mr. DiPietro, during the course of the
09:15:01 15 audit, tell you about Mr. Karasarides' interest in any
09:15:04 16 businesses that you didn't already know about?

09:15:06 17 **A** No.

09:15:11 18 MR. BEAN: Can we please go to Exhibit 102,
09:15:15 19 please. And if we could go down -- sorry. I've gone --
09:15:24 20 103. Sorry about that.

09:15:26 21 And if we could go down.

09:15:31 22 I'll tell you when to stop. It's the Schedule C, and
09:15:37 23 I don't have the. . .

09:15:41 24 Right here. Thank you.

09:15:42 25 BY MR. BEAN:

09:15:42 1 Q Page 14. I believe yesterday you testified that based
09:15:46 2 on looking at this return, you believed -- this was
09:15:49 3 consistent with the sweepstakes business --

09:15:51 4 A Yes.

09:15:52 5 Q -- that Mr. DiPietro told you about?

09:15:53 6 A Yes.

09:15:54 7 MR. BEAN: Can you go to the next page.

09:15:55 8 And the next one.

09:15:56 9 BY MR. BEAN:

09:15:57 10 Q Are there driving miles reported on this return?

09:16:00 11 A Yes.

09:16:00 12 Q For this Schedule C?

09:16:02 13 A Yes.

09:16:03 14 Q And how about cell phone expenses?

09:16:05 15 A Yes.

09:16:05 16 Q All right.

09:16:07 17 MR. BEAN: Can we please go to Exhibit 105?

09:16:14 18 And go -- we're looking for the same document.

09:16:30 19 (Brief pause in proceedings.)

09:16:33 20 MR. BEAN: Right there.

09:16:34 21 BY MR. BEAN:

09:16:34 22 Q Is -- again, I believe your testimony yesterday was
09:16:37 23 that this schedule was consistent with the sweepstakes
09:16:40 24 business as described to you?

09:16:41 25 A Yes.

09:16:41 1 MR. BEAN: Can we go to the next page?

09:16:44 2 And one more. Page 24.

09:16:46 3 BY MR. BEAN:

09:16:47 4 **Q** Are there driving miles reported here?

09:16:48 5 **A** Yes. Yes.

09:16:50 6 **Q** And how about cell phone?

09:16:52 7 **A** Yes.

09:16:52 8 **Q** And without looking at the 2013 return, do you recall,
09:16:56 9 are there also driving miles and cell phone expenses on that
09:16:59 10 one? And we can pull it up if that's helpful.

09:17:03 11 **A** Yeah. I believe there were.

09:17:06 12 **Q** So, is there anything that you see on this return that
09:17:09 13 makes you think it's different from the 2009 one, on this
09:17:15 14 Schedule C?

09:17:15 15 **A** No. It's similar. Some different amounts, but same
09:17:20 16 reporting form, styles, places.

09:17:23 17 **Q** Now, I've asked you some questions about tax years
09:17:26 18 other than 2009, 2010, after the audit.

09:17:30 19 **A** Correct.

09:17:30 20 **Q** I know Mr. Fedor did.

09:17:32 21 And there have been some questions about what your
09:17:34 22 involvement was after -- for those later tax years.

09:17:37 23 **A** Yes.

09:17:38 24 **Q** Did you have any involvement after that period?

09:17:40 25 **A** No.

09:17:41 1 Q Is your testimony about those tax years basically
09:17:46 2 reading off the documents that are from the IRS?

09:17:48 3 A Correct.

09:17:48 4 Q And to the extent bringing the knowledge that you had
09:17:52 5 from things Mr. DiPietro told you?

09:17:53 6 A Correct.

09:17:53 7 Q Do you have any involvement in collections by the --
09:17:58 8 collections at IRS?

09:17:59 9 A No.

09:18:01 10 Q So, if you're asked questions about an offer in
09:18:05 11 compromise, do you really understand, like, the details of
09:18:07 12 that?

09:18:07 13 A I do not.

09:18:08 14 Q And when I asked you questions about an offer in
09:18:10 15 compromise, were you just reading off a record?

09:18:12 16 A Yes.

09:18:16 17 Q Is it fair to say -- would you have any reason to know
09:18:18 18 about 1099s, W-2s, K-1s, you know, direct knowledge other
09:18:27 19 than what you're reading off the records for any years after
09:18:30 20 2010 for Mr. Karasarides?

09:18:32 21 A No.

09:18:34 22 MR. BEAN: Can we please go to Exhibit 100?

09:18:40 23 And can you go to the last page, please?

09:18:44 24 Thank you.

09:18:48 25 BY MR. BEAN:

09:18:48 1 Q Now, yesterday, Mr. Fedor asked you if today,
09:18:56 2 Mr. Karasarides -- if the IRS believed Mr. Karasarides owed
09:18:59 3 money for this tax year; correct?

09:19:01 4 A Yes.

09:19:02 5 Q Do you recall that?
09:19:02 6 And I believe your answer was no?

09:19:04 7 A Correct. It showed a 0 balance.

09:19:06 8 Q Is there a civil statute of limitations for
09:19:10 9 collections on a tax owed?

09:19:12 10 A Yes.

09:19:13 11 Q Do you know how long that period is?

09:19:16 12 A Typically, 10 years. I think there are some very few
09:19:19 13 exceptions, but 10 years.

09:19:22 14 Q So, is it correct that if a taxpayer evades the
09:19:29 15 payment of taxes long enough, that it could basically get
09:19:32 16 wiped clean?

09:19:35 17 MR. GOLDBERG: Objection.

09:19:35 18 THE COURT: Overruled.

09:19:36 19 THE WITNESS: That's correct.

09:19:37 20 BY MR. BEAN:

09:19:38 21 Q So did this get wiped clean for 2009?

09:19:41 22 A Yes.

09:19:41 23 Q How much got wiped clean?

09:19:42 24 A About \$270,000.

09:19:45 25 Q Now, does the expiration of the civil statute of

09:19:50 1 limitations, as far as you're aware, have any impact on any
09:19:52 2 criminal liability?

09:19:54 3 MR. GOLDBERG: Objection.

09:19:55 4 THE COURT: Overruled.

09:19:57 5 THE WITNESS: Sorry. Just a touch distracted
09:20:00 6 for a moment.

09:20:00 7 So, the 10-year civil statute can be extended
09:20:04 8 indefinitely for criminal fraud.

09:20:07 9 BY MR. BEAN:

09:20:07 10 **Q** But, I mean, I'm not talking about the civil period.
09:20:10 11 I'm saying does the expiration, civilly, of the IRS's
09:20:14 12 ability to collect on the tax debt affect any criminal
09:20:19 13 liability the taxpayer might have?

09:20:21 14 **A** No.

09:20:27 15 MR. FEDOR: Objection.

09:20:28 16 Objection, Judge.

09:20:29 17 THE COURT: Overruled.

09:20:29 18 THE WITNESS: It does not.

09:20:30 19 MR. BEAN: Can we please go to Exhibit 101,
09:20:33 20 and can we go to the last page.

09:20:38 21 BY MR. BEAN:

09:20:39 22 **Q** Was the tax debt written off under the civil statute
09:20:42 23 of limitations for tax year 2010?

09:20:44 24 **A** Yes. Yes.

09:20:45 25 **Q** How much was written off?

09:20:47 1 **A** About 524,000.

09:20:49 2 **Q** All right. So if we add those two numbers together,
09:20:52 3 are we getting close to \$800,000 now written off?

09:20:55 4 **A** Yes.

09:20:56 5 **Q** All right.

09:20:56 6 MR. BEAN: Now can we go to Exhibit 104,
09:21:00 7 please, and go to the last page. Or one page up. Sorry.

09:21:05 8 BY MR. BEAN:

09:21:05 9 **Q** And for tax year 2012, was tax debt written off under
09:21:10 10 the civil statute of limitations?

09:21:12 11 **A** Yes. About 445,000.

09:21:14 12 **Q** And so if we add those to our previous figures,
09:21:18 13 estimate how much are we at now?

09:21:19 14 **A** 1.3 million.

09:21:29 15 MR. BEAN: Nothing further. Thank you.

09:21:30 16 THE COURT: Thank you.

09:21:32 17 Mr. Fedor, any questions?

09:21:34 18 MR. FEDOR: Limited, Judge. Thank you very
09:21:35 19 much.

09:21:44 20 Good morning again, ladies and gentlemen of the jury.
09:21:47 21 Robert Fedor on behalf of Mr. DiPietro. Good to see you
09:21:49 22 again this morning.

09:21:49 23 Everybody's ready to go?

09:21:50 24 Good morning, Judge and staff and counsel and parties.

09:21:54 25 And Mr. Jordan, thank you again for appearing today.

09:21:58 1 Just a few limited questions.

09:21:59 2 - - - - -

09:21:59 3 RECROSS-EXAMINATION OF GARRET JORDAN

09:22:00 4 BY MR. FEDOR:

09:22:00 5 **Q** Mr. Bean just referred, on redirect, to a theory of
09:22:04 6 NAICS codes.

09:22:04 7 Are there any theories involved with NAICS codes?

09:22:07 8 What is a NAICS code, can you tell the jurors?

09:22:09 9 MR. BEAN: Objection. I didn't refer to any
09:22:11 10 NAICS codes.

09:22:14 11 THE COURT: I didn't hear a NAICS code, but if
09:22:16 12 you did, go ahead.

09:22:19 13 BY MR. FEDOR:

09:22:19 14 **Q** Can you advise the jurors what a NAICS code is,
09:22:22 15 Mr. Jordan?

09:22:22 16 **A** Yeah. So that's a coding system that taxpayers would
09:22:28 17 use when they file a return to show what type of business
09:22:31 18 they are reporting. This would be on sole proprietorship or
09:22:36 19 corporate returns would have this coding. I think the
09:22:39 20 construction example is easy. If you're a -- if you put up
09:22:42 21 walls, you would be a builder of a certain type. If you do
09:22:47 22 drywall, a certain type, so. . . that's --

09:22:50 23 **Q** And my only question then is, the NAICS codes that
09:22:53 24 were used for Mr. Karasarides' returns reflected casino-ish
09:22:58 25 related business; correct?

09:22:59 1 **A** Yes.

09:23:00 2 **Q** Thank you.

09:23:01 3 **A** Yeah -- for sales.

09:23:02 4 **Q** And at the end of the day, your examination of the
09:23:06 5 2019, 2010 tax returns, the SFR, the substitute for return,
09:23:11 6 your estimate, your findings, your tax penalties and
09:23:14 7 interest due, you closed that as an agreed case with
09:23:16 8 Mr. DiPietro and Mr. Karasarides; correct?

09:23:18 9 **A** Correct.

09:23:19 10 **Q** And that was in when, 2012?

09:23:21 11 **A** Yes.

09:23:21 12 **Q** And since 2012, you've had no other involvement in
09:23:24 13 this case other than preparing for testimony today; correct?

09:23:28 14 **A** Correct.

09:23:31 15 **Q** Thank you.

09:23:32 16 And in fact, as part of that examination, you conceded
09:23:37 17 that Mr. Karasarides was a professional gambler; correct?

09:23:40 18 **A** Correct.

09:23:41 19 MR. FEDOR: Carissa, morning, by the way.

09:23:43 20 Can you pull up Exhibit 109, please, just briefly?

09:23:48 21 Page 18.

09:23:53 22 BY MR. FEDOR:

09:23:53 23 **Q** So Mr. Bean just walked you through the other 1040s,
09:23:58 24 the tax returns again, comparing the Schedules C and looking
09:24:03 25 at it year by year; correct?

09:24:04 1 **A** Yes.

09:24:05 2 **Q** And one of the things that was just pointed out that
09:24:07 3 you testified to was for 2014, there was only one Schedule
09:24:12 4 C; correct?

09:24:12 5 **A** Correct.

09:24:12 6 **Q** And it's for gambling; correct?

09:24:14 7 **A** Yes.

09:24:15 8 **Q** All the other tax returns, did they not show both
09:24:19 9 gross receipts from gambling as well as gambling losses; is
09:24:23 10 that correct?

09:24:23 11 **A** Yes.

09:24:24 12 **Q** Does this return show any gambling losses?

09:24:30 13 **A** No. Only legal and professional services.

09:24:33 14 **Q** And why might that be? Because you certainly don't
09:24:37 15 incur professional and legal expenses when you're a
09:24:39 16 professional gambler; correct?

09:24:43 17 **A** It's odd.

09:24:45 18 **Q** Thank you.

09:24:46 19 **A** I don't know why he put that there.

09:24:47 20 **Q** Thank you.

09:24:49 21 Lastly, let's talk about collection statutes. Okay.
09:24:53 22 And your testimony was, with exceptions, there's a 10-year
09:24:58 23 statute of limitations; correct?

09:24:59 24 **A** Yes.

09:24:59 25 **Q** And you've also testified, you testified yesterday

09:25:02 1 before me and before the Court, that you have no experience
09:25:05 2 in collections; correct?

09:25:06 3 **A** Correct.

09:25:07 4 **Q** So what's your background on what's called CSEDs,
09:25:12 5 collection statute expiration dates, when this entire
09:25:15 6 liability goes away? What's your background on that?

09:25:18 7 **A** Well, when we look at transcripts, we pay attention to
09:25:21 8 when those dates are.

09:25:22 9 **Q** Do you regularly look at transcripts?

09:25:24 10 **A** Yes.

09:25:25 11 **Q** As part of your examination functioning?

09:25:28 12 **A** A hundred percent of the time.

09:25:29 13 **Q** Okay. And are you aware of when collection statutes
09:25:32 14 are expiring?

09:25:34 15 **A** I don't pay attention to those. I read them, but it's
09:25:37 16 not -- I don't do anything with them.

09:25:40 17 **Q** Do you have any particular background or expertise in
09:25:45 18 the legal issue between criminal and civil collection
09:25:50 19 statutes?

09:25:52 20 **A** No.

09:25:53 21 **Q** Do you have any education whatsoever on the criminal
09:25:56 22 side of what happens with collection statutes and
09:25:59 23 examination and collection function?

09:26:03 24 **A** Well, some, because I have, like, post-prosecution
09:26:06 25 cases, I've had several of those, so we do pay attention --

09:26:10 1 so I can't say I'm not experienced. I hope -- I'm trying to
09:26:13 2 answer your question. Hopefully I am.

09:26:16 3 **Q** You're doing a good job.

09:26:17 4 **A** Okay.

09:26:20 5 **Q** So in this case with Mr. Karasarides, did you look at
09:26:22 6 the collection statutes at all prior to preparation for the
09:26:24 7 trial?

09:26:25 8 **A** No. No.

09:26:27 9 **Q** And, in fact, those exhibits all show that there are
09:26:31 10 no liabilities for those periods; correct?

09:26:32 11 **A** Correct.

09:26:34 12 MR. FEDOR: Thank you.

09:26:35 13 Nothing further, Judge.

09:26:36 14 THE COURT: Thank you.

09:26:36 15 Mr. Parker, anything?

09:26:39 16 MR. PARKER: Yes, Your Honor. Thank you.

09:26:52 17 - - - - -

18 RECROSS-EXAMINATION OF GARRET JORDAN

09:26:53 19 BY MR. PARKER:

09:26:53 20 **Q** Do you remember Mr. Bean asking you about the civil
09:26:56 21 statute of limitation for tax collection?

09:26:58 22 **A** Yes.

09:27:00 23 **Q** I'm going to try to get the question as close to the
09:27:03 24 words he used as possible. If it's not the exact words,
09:27:07 25 forgive me. But he essentially asked you if somebody evades

09:27:11 1 payment for long enough, can the tax liability get wiped
09:27:13 2 clean.

09:27:14 3 Was that in substance the question?

09:27:15 4 **A** Yes.

09:27:16 5 **Q** Now, the thing that wipes the debt clean is the
09:27:21 6 expiration of the civil statute of limitations?

09:27:23 7 **A** In that scenario, yes.

09:27:24 8 **Q** Which is 10 years?

09:27:26 9 **A** Yes.

09:27:27 10 **Q** The wiping clean doesn't depend on evasion happening?

09:27:33 11 **A** Correct.

09:27:34 12 **Q** For example, if somebody was trying in good faith to
09:27:37 13 settle their tax liability for that period of time, the debt
09:27:41 14 would still be wiped clean?

09:27:42 15 **A** After 10 years, yes.

09:27:43 16 **Q** So Mr. Bean's question had a built-in assumption that
09:27:48 17 someone is in fact evading taxes.

09:27:53 18 **A** That's a question?

09:27:54 19 **Q** I'm asking you that, yes.

09:27:58 20 **A** I don't know if he knows. You're asking me if -- I
09:28:03 21 don't know if he knows that there was evasion or not, so I
09:28:05 22 can't say if he said that. When he -- that -- it doesn't
09:28:10 23 make sense to me. So you made a statement and said that's a
09:28:12 24 question.

09:28:14 25 **Q** Okay.

09:28:15 1 **A** There's where I'm getting hung up.

09:28:17 2 **Q** Let me restate the question.

09:28:19 3 Would you agree that Mr. Bean's question had a
09:28:22 4 built-in assumption that someone is evading taxes?

09:28:24 5 **A** I don't know if it's an assumption because I don't
09:28:26 6 know if there's evasion or not, so I can't say. Because if
09:28:28 7 there was evasion and he knows that, and if that's the case,
09:28:31 8 then that would be correct, but I don't know if there was
09:28:33 9 evasion or not. I'm not here to say if there was or was not
09:28:36 10 evasion, so I don't know that.

09:28:37 11 **Q** No, no, I'm not asking for your knowledge, but
09:28:39 12 again -- so his question implies that the civil -- the
09:28:44 13 operation of the civil statute depends on evasion when, in
09:28:47 14 fact, it doesn't?

09:28:47 15 **A** Yeah. It does not depend on evasion.

09:28:50 16 **Q** Right. So there wasn't any need to include evasion in
09:28:53 17 that question?

09:28:55 18 **A** That -- that's up for you guys to decide, if that's
09:28:59 19 needed as a question or not. You ask whatever you want.
09:29:01 20 I'll answer as best I can.

09:29:02 21 **Q** Fair enough.

09:29:04 22 Now, you talked about skill games in relation to
09:29:09 23 Mr. Karasarides' vending business.

09:29:11 24 **A** Yes.

09:29:11 25 **Q** You understand the sweepstakes and the skill games to

09:29:14 1 essentially be the same thing?

09:29:16 2 **A** Yes.

09:29:16 3 **Q** Okay. And did you say that that was because that was
09:29:19 4 how Mr. Karasarides or how Mr. DiPietro described them?

09:29:22 5 **A** Correct.

09:29:23 6 **Q** Okay. So if that was not actually what they had said,
09:29:28 7 you would not have any independent reason for believing that
09:29:32 8 skill games and sweepstakes are the same thing?

09:29:40 9 **A** My understanding was they were the same thing.

09:29:45 10 **Q** That -- that -- I'm sorry. That understanding came
09:29:47 11 from what you believe Mr. Karasarides or Mr. DiPietro said?

09:29:50 12 **A** Yes.

09:29:50 13 **Q** Okay. So, hypothetically, imagine that that's not
09:29:58 14 what they said. You would no longer have any reason for
09:30:01 15 believing that?

09:30:09 16 **A** I would still believe that because they had internet.
09:30:11 17 I had known about internet cafes, so I knew it was involved
09:30:14 18 with that. So that is independent of what they had informed
09:30:17 19 me.

09:30:18 20 **Q** I'm sorry, you knew that what was involved with
09:30:21 21 internet cafes?

09:30:23 22 **A** Mr. Karasarides.

09:30:26 23 **Q** So, I'm sorry, I -- I apologize if I don't understand
09:30:29 24 your answer, but how -- I don't understand how your answer
09:30:36 25 shows that you had some independent knowledge of what skill

09:30:39 1 games were or what sweepstakes were and how they might be
09:30:42 2 the same thing.

09:30:44 3 **A** Oh, well --

09:30:45 4 **Q** Can you tell me how you would have known that?

09:30:46 5 **A** Yeah. From Mr. DiPietro and Mr. Karasarides.

09:30:48 6 **Q** Okay. So, again --

09:30:50 7 **A** That's the primary, yes.

09:30:52 8 **Q** All right. Your understanding of that came from them.

09:30:54 9 Now, are you aware of any significant change in the
09:30:59 10 law of Ohio about sweepstakes or internet cafes that
09:31:04 11 occurred in 2013?

09:31:07 12 **A** I do not.

09:31:09 13 **Q** We discussed that in 2014, Mr. Karasarides no longer
09:31:14 14 filed a Schedule C for his vending business.

09:31:17 15 **A** Correct.

09:31:17 16 **Q** So I imagine if Ohio had declared that business
09:31:26 17 illegal or passed a law making it illegal in 2013, that
09:31:29 18 would be a good explanation for why Mr. Karasarides would no
09:31:33 19 longer engage in that business in 2014 going forward?

09:31:35 20 **A** It would make sense.

09:31:36 21 **Q** And that would also make sense why he would not file a
09:31:40 22 Schedule C for that business from 2014 going forward?

09:31:42 23 **A** If there's no business, no income, then you wouldn't
09:31:45 24 report a Schedule C for it.

09:31:47 25 **Q** It would be unusual for somebody to deliberately

09:31:51 1 declare an illegal activity on their tax return?

09:31:54 2 **A** It's difficult because illegal activities typically --
09:31:59 3 there's a lot of nonreporting of illegal activities. But
09:32:04 4 that's kind of making presumptions because I don't know of
09:32:06 5 the ones that are not reported.

09:32:07 6 **Q** Right. Deliberately reporting illegal activity, that
09:32:12 7 would be unusual?

09:32:12 8 **A** Yes.

09:32:13 9 **Q** Not reporting it is the more common thing?

09:32:16 10 **A** Yes.

09:32:17 11 **Q** I mean, you don't get Schedules C where somebody says
09:32:20 12 their primary business is selling drugs?

09:32:23 13 **A** That's what came to mind. So, if somebody sells
09:32:26 14 drugs, I wouldn't see that on a return typically.

09:32:30 15 **Q** And if -- I mean, if he was exiting that business, he
09:32:36 16 could still declare legal fees that he incurred doing that
09:32:38 17 on his taxes?

09:32:39 18 **A** Yes. If there's an on -- if there's an ongoing
09:32:41 19 business.

09:32:43 20 So you asked if he could still deduct legal expenses
09:32:46 21 for a business that's no longer in existence?

09:32:50 22 **Q** Could he?

09:32:52 23 **A** You wouldn't deduct expenses for a business that's no
09:32:55 24 longer in business.

09:32:56 25 **Q** Okay. But as long as he was engaged with that, he

09:32:59 1 could be incurring legal fees?

09:33:00 2 **A** Oh, he could be incurring legal fees, but you wouldn't
09:33:04 3 deduct them if the business is no longer in existence. They
09:33:08 4 would be personal -- you know, personal expenses.

09:33:09 5 **Q** They would be personal expenses?

09:33:12 6 MR. PARKER: All right. Nothing further.

09:33:13 7 THE COURT: Thank you.

09:33:13 8 Mr. Kersey, anything?

09:33:15 9 MR. KERSEY: I have no questions. Thank you.

09:33:17 10 THE COURT: Thank you.

09:33:17 11 Mr. Jordan, thank you, sir. You're excused.

09:33:20 12 Watch your step going down.

09:33:21 13 THE WITNESS: Thank you.

09:33:22 14 (Witness excused.)

09:33:23 15 THE COURT: You may call your next witness.

09:33:25 16 MR. BEAN: The government calls Jason Kachner.

09:34:02 17 (Brief pause in proceedings.)

09:36:50 18 THE COURT: All right, Mr. Kachner. Would you
09:36:52 19 raise your right hand, sir.

09:36:53 20 Do you swear the testimony you are about to give will
09:36:56 21 be the truth as you answer to God?

09:36:57 22 THE WITNESS: Yes, sir.

09:36:58 23 THE COURT: Please have a seat.

09:36:58 24 You can hand your gum to Mr. Bean, too, if you will.

09:37:03 25 THE WITNESS: What?

09:37:03 1 THE COURT: You got gum?

09:37:04 2 THE WITNESS: Yes, sir.

09:37:05 3 THE COURT: Hand it to Mr. Bean.

09:37:07 4 THE WITNESS: Can I just throw it in the trash
09:37:09 5 right there, sir?

09:37:10 6 THE COURT: Sure.

09:37:10 7 I was a prosecutor way back in the old days, and I had
09:37:13 8 this big real tough detective that was going to testify and
09:37:16 9 he was, you know, chewing gum. And I said you know you got
09:37:20 10 to take that damn gum out of your mouth. You can't go into
09:37:24 11 the courtroom like that. He goes, it's not gum. He got
09:37:27 12 shot in the face. I went, oh, God.

09:37:30 13 So you never know, right?

09:37:32 14 MR. BEAN: Does anybody actually hand the gum
09:37:34 15 to the attorney?

09:37:34 16 THE COURT: Well, that's my little trick.
09:37:38 17 That way, I kind of cue the lawyer in, talk to your witness
09:37:46 18 before they come in, you know.

09:37:47 19 I know, so probably maybe nervous. I get it. No
09:37:50 20 problem.

09:37:50 21 All right, sir, tell us your full name and spell your
09:37:53 22 last name.

09:37:53 23 THE WITNESS: Jason Kachner, K-a-c-h-n-e-r.

09:37:56 24 THE COURT: You're going to have to speak up a
09:37:58 25 little bit more than that. If you're about 3 or 4 inches

09:38:00 1 from the microphone, we can hear everything that you have to
09:38:03 2 say.

09:38:03 3 Want to try that again?

09:38:06 4 THE WITNESS: Jason Kachner, K-a-c-h-n-e-r.

09:38:11 5 THE COURT: Thank you, Jason.

6 - - - - -

7 DIRECT EXAMINATION OF JASON KACHNER

09:38:12 8 BY MR. BEAN:

09:38:12 9 Q Good morning, sir.

10 Do you also have a nickname?

11 A Kake.

09:38:15 12 Q Where are you from?

09:38:15 13 MR. KERSEY: What did he say? I didn't hear
09:38:17 14 him.

09:38:17 15 What did you say?

09:38:17 16 THE WITNESS: Kake.

09:38:18 17 THE COURT: Is it like K, Special K?

09:38:22 18 THE WITNESS: K-a-k-e.

09:38:25 19 MR. KERSEY: Kake, is that what you said?

09:38:27 20 THE WITNESS: Yes, sir.

09:38:27 21 MR. BEAN: Like the cake that you get at a
09:38:29 22 birthday.

09:38:30 23 THE COURT: Cake, like cake --

09:38:30 24 THE WITNESS: No, not cake like you get at a
09:38:32 25 birthday. Kake like my last name, K-a-k-e.

09:38:35 1 THE COURT: Gotcha.

09:38:36 2 BY MR. BEAN:

09:38:37 3 Q Where are you from?

09:38:37 4 A Stark County, Louisville, Ohio.

09:38:40 5 Q And what are you currently doing for work?

09:38:42 6 A Landscaping and snow removal.

09:38:45 7 Q What kind of things do you do in your free time?

09:38:49 8 A Spend time with my grandkids and my kids.

09:38:53 9 Q Do you know the defendants?

09:38:55 10 A Yes, sir.

09:38:57 11 Q Which ones?

09:38:59 12 A Chris Karasarides, Ron DiPietro. That's all I see.

09:39:09 13 Q How do you know them?

09:39:11 14 A Business acquaintances.

09:39:12 15 Q What kind of business?

09:39:13 16 A Skill rooms.

09:39:14 17 Q Do they have names?

09:39:15 18 A Redemption skill room and Shamrock.

09:39:21 19 Q And were you in business with them?

09:39:22 20 A Yes.

09:39:23 21 Q Can you just describe, where was Shamrock located?

09:39:28 22 A It was in Canton, Ohio.

09:39:29 23 Q And what about Redemption?

09:39:31 24 A Whipple Avenue in Canton, Ohio.

09:39:34 25 Q And when were you in business with each of them, and I

09:39:37 1 understand -- the time periods with each of them?

09:39:39 2 **A** 2009 to '18.

09:39:43 3 **Q** How did those businesses make money?

09:39:50 4 **A** Patrons coming into the establishment and playing the
09:39:55 5 games.

09:39:58 6 MR. KERSEY: Judge, I'm having trouble
09:40:01 7 hearing. Judge, I can't hear him. He's running his words
09:40:05 8 together, and I -- I wish he'd be a little bit more --

09:40:08 9 THE WITNESS: Sir, if I come up any closer, my
09:40:11 10 chest is going to be in this computer.

09:40:13 11 MR. KERSEY: Are you going to argue with me?
09:40:14 12 I'm asking --

09:40:14 13 MR. BEAN: Do you mind just speaking up a
09:40:16 14 little bit? Thank you.

09:40:17 15 MR. KERSEY: Is he going to argue when I ask
09:40:19 16 him?

09:40:20 17 THE COURT: Yeah, it's -- you know, you'd
09:40:22 18 think we have this modern technology, we could hear
09:40:25 19 everything. But I'm going to try to turn your mic up as
09:40:30 20 much as I can.

09:40:30 21 THE WITNESS: Is that better?

09:40:31 22 THE COURT: Oh, my gosh. Yes.

09:40:33 23 THE WITNESS: I didn't know the mic moved up
09:40:36 24 into close.

25 THE COURT: Yeah, night and day.

09:40:37 1 THE WITNESS: Is that better, sir?

09:40:39 2 MR. KERSEY: Yeah, that's better. That's a
09:40:41 3 whole lot better. Just make an effort.

09:40:44 4 BY MR. BEAN:

09:40:45 5 Q Sir, I'd like to ask that question again because I
09:40:50 6 think we got a little distracted.

09:40:53 7 How did those businesses make money?

09:40:55 8 A By patrons coming into the business so that they can
09:40:58 9 play the games.

09:40:59 10 Q And what kind of games?

09:41:00 11 A Pot-O-Gold.

09:41:01 12 Q Can you just describe, what's a Pot-O-Gold?

09:41:06 13 A A machine with games on it that you --

09:41:10 14 Q What kind of games? Did they have names?

09:41:13 15 A I mean, there's -- there was like nine or 10 of the
09:41:16 16 games that are on there. Keno's, 7s and 777, and Bingo, I
09:41:25 17 think. Pretty much sums it up.

09:41:26 18 Q What's 777?

09:41:28 19 A Excuse me?

09:41:28 20 Q What -- can you just describe, what's 777 exactly?

09:41:33 21 A It's a triple 7s game, and there's a Respin 777 game.

09:41:36 22 Q So did you have to match things up?

09:41:38 23 A Yes, sir.

09:41:38 24 Q And if one of the people came in and they were
09:41:43 25 successful at the game, what happened? Did they get

09:41:45 1 anything?

09:41:46 2 **A** I mean, they wagered an amount to win an amount for
09:41:50 3 whatever they wagered.

09:41:52 4 **Q** And could they be paid out in cash?

09:41:54 5 **A** Yes.

09:41:57 6 **Q** Did Skilled Shamrock and Redemption, did they have
09:42:01 7 employees?

09:42:01 8 **A** Yes, sir.

09:42:02 9 **Q** Can you approximate for the jury how many employees
09:42:06 10 each one had at any one time?

09:42:10 11 **A** Redemption probably had 10 to 13 employees, maybe, and
09:42:18 12 Shamrock might have had 8 to 10.

09:42:20 13 **Q** All right. Let's talk a little bit about Skilled
09:42:23 14 Shamrock first.

09:42:24 15 When did you get involved in Skilled Shamrock,
09:42:27 16 approximately?

09:42:29 17 **A** Late 2010, 2011.

09:42:32 18 **Q** And when you got involved, who were the owners of the
09:42:36 19 business?

09:42:36 20 **A** Myself, Chris Kare, Larry Dayton, and Ron DiPietro.

09:42:44 21 **Q** Is Chris Kare Mr. Karasarides?

09:42:46 22 **A** Yes, sir.

09:42:47 23 **Q** Is that generally how you know him and refer to him?

09:42:49 24 **A** Correct.

09:42:52 25 **Q** Was the business in any of those individuals' names,

09:42:55 1 your name, Mr. Karasarides, Mr. DiPietro?

09:42:55 2 **A** No, sir.

09:42:57 3 **Q** Whose name was it in?

09:42:58 4 **A** Which one?

09:42:59 5 **Q** Skilled Shamrock, whose name was that in?

09:43:02 6 **A** Derek Phillips.

09:43:05 7 **Q** Who is Derek Phillips?

09:43:06 8 **A** A buddy of Larry Dayton and myself.

09:43:09 9 **Q** Now, turning to Redemption, when did you come into
09:43:13 10 Redemption?

09:43:15 11 **A** I started the business in 2009.

09:43:18 12 **Q** And who were the owners of Redemption with you?

09:43:21 13 **A** To start --

09:43:22 14 I feel like this mic keeps going out.

09:43:26 15 COURTROOM DEPUTY: It's just -- it's like if
09:43:27 16 you're not right -- if you get a little too far, it goes
09:43:30 17 out.

09:43:31 18 THE WITNESS: Gotcha.

09:43:33 19 2009 to roughly '11, myself -- myself, Larry, Chris,
09:43:44 20 and Ron DiPietro.

09:43:46 21 BY MR. BEAN:

09:43:47 22 **Q** And how about after 2011?

09:43:48 23 **A** Myself, Larry Dayton, and Chris Kare.

09:43:53 24 **Q** What happened to Mr. DiPietro?

09:43:53 25 **A** We bought our own machines and had him take his back.

09:43:58 1 Q Now, when you first started the business, who -- whose
09:44:01 2 name was the business put in?

09:44:03 3 A Larry Dayton's.

09:44:05 4 Q At some point did that change?

09:44:06 5 A Yes, sir.

09:44:07 6 Q Approximately when did that change?

09:44:16 7 A '14 -- 2013, '14-ish.

09:44:20 8 Q At that point whose name was the business put in?

09:44:23 9 A Thomas Helmick.

09:44:24 10 Q Whose idea was it to do that?

09:44:26 11 A The three business owners.

09:44:27 12 Q Did you know Mr. Helmick before he got involved in
09:44:31 13 Redemption?

09:44:31 14 A Yeah. I had seen him here and there. Not like
09:44:35 15 friendship or nothing.

09:44:35 16 Q And how had you seen him?

09:44:37 17 A Just met him.

09:44:39 18 Q Did he ever any connection to any of the -- your
09:44:44 19 co-owners?

09:44:44 20 A Chris Kare's nephew, I believe.

09:44:47 21 Q At Redemption, who were employees told to say owned
09:44:50 22 the business if somebody asked?

09:44:53 23 A Thomas Helmick.

09:44:57 24 MR. KERSEY: Judge, I still can't hear. He
09:44:59 25 runs the words together.

09:45:01 1 THE COURT: Say that again.

09:45:01 2 MR. KERSEY: He's running his words together,
09:45:03 3 Your Honor, and I'm just asking him to be a little bit more
09:45:05 4 specific and a little bit more concise in his answers.

09:45:08 5 THE COURT: All right, Mr. Kersey has a little
09:45:10 6 hearing issue, so if you could do your best.

09:45:13 7 THE WITNESS: Gotcha.

09:45:17 8 BY MR. BEAN:

09:45:18 9 Q Why -- if Redemption was owned by -- you know, after
09:45:24 10 Mr. Helmick came in, if Redemption was owned by you,
09:45:28 11 Mr. Dayton, and Mr. Karasarides, why weren't any of you
09:45:31 12 listed on the business?

09:45:33 13 A Because I'm a felon.

09:45:34 14 Q Okay. Why couldn't Mr. Karasarides be listed?

09:45:37 15 A He's a felon.

09:45:39 16 Q Why -- why couldn't Mr. Dayton continue to be listed?

09:45:44 17 A Mr. Dayton was on the list and got into some personal
09:45:52 18 problems with drugs.

09:45:55 19 Q What was the issue with having the business in the
09:45:57 20 name of someone who is a felon?

09:46:00 21 A I mean, more likely to probably get in trouble.

09:46:04 22 Q Why would -- why would you be concerned about getting
09:46:06 23 in trouble?

09:46:09 24 A I don't know, I just did -- I didn't want to have my
09:46:12 25 name on the business being a felon.

09:46:14 1 Q And how about Skilled Shamrock?

09:46:17 2 A Derek Phillips.

09:46:19 3 Q I understand, I think you testified he was the
09:46:22 4 nominee, but why not put it in the name of Mr. DiPietro or
09:46:25 5 Mr. Karasarides or yourself or Mr. Dayton?

09:46:28 6 A I mean, there wasn't many game rooms that were in
09:46:31 7 anyone's name that was an owner, to be honest. It was just
09:46:34 8 like a thing that all the -- they did with the game rooms.

09:46:37 9 Q So that was pretty standard?

09:46:39 10 A Correct.

09:46:39 11 Q Do you have -- do you know -- do you have any reason
09:46:42 12 to believe why that was standard?

09:46:45 13 A No idea.

09:46:51 14 Q So did Skilled Shamrock pay out cash to patrons?

09:46:55 15 A Yes, sir.

09:46:55 16 Q Did Redemption?

09:46:56 17 A Yes, sir.

09:46:57 18 Q When that was happening did you, specifically, believe
09:47:01 19 that it was legal to pay out cash to patrons?

09:47:06 20 MR. GOLDBERG: Objection.

09:47:07 21 THE COURT: Overruled.

09:47:09 22 MR. BEAN: You can answer.

09:47:10 23 THE WITNESS: By the State of Ohio law, you're
09:47:12 24 allowed to pay up to \$10. Anything over \$10 is supposed to
09:47:17 25 be paid out in a cash prize per the Chuck E. Cheese law.

09:47:22 1 BY MR. BEAN:

09:47:22 2 Q And was Shamrock and Redemption, were they paying out
09:47:24 3 more than \$10?

09:47:26 4 A Yes, sir.

09:47:26 5 Q During that your time, do you remember some of the
09:47:28 6 larger payouts?

09:47:30 7 A Not off the top of my head, no.

09:47:31 8 Q Can you give estimates?

09:47:33 9 MR. GOLDBERG: Objection.

09:47:33 10 THE COURT: Overruled.

09:47:34 11 THE WITNESS: I mean, it would vary.

09:47:36 12 Depending on what you -- what you bet for --

09:47:39 13 BY MR. BEAN:

09:47:39 14 Q Hundreds, thousands, tens of thousands?

09:47:43 15 A I mean, it could be anywhere from a quarter to a
09:47:46 16 thousand dollars depending on what you hit.

09:47:50 17 Q Did you have any conversations with Mr. Karasarides to
09:47:55 18 indicate to you that he knew Skilled Shamrock and Redemption
09:47:57 19 were paying out cash?

09:47:58 20 MR. GOLDBERG: Objection.

09:47:59 21 THE COURT: Overruled.

09:48:02 22 THE WITNESS: One more time.

09:48:03 23 BY MR. BEAN:

09:48:04 24 Q Did you have any conversations with Mr. Karasarides
09:48:07 25 that indicated to you that he knew it was paying out cash?

09:48:09 1 **A** We all knew they were paying out cash.

09:48:12 2 MR. BEAN: Can you please play --

09:48:14 3 MR. GOLDBERG: Objection.

09:48:14 4 THE COURT: Overruled.

09:48:15 5 I guess the question was directed about
09:48:17 6 Mr. Karasarides. Did you ever talk to him about it?

09:48:20 7 THE WITNESS: Yeah. We all knew it. Every
09:48:22 8 owner knew that they were paying out cash. Every game room
09:48:26 9 in Stark County paid out cash.

09:48:30 10 MR. BEAN: Can we please go to Exhibit 346,
09:48:33 11 which the parties have stipulated is a phone call between
09:48:37 12 Mr. Karasarides and Melissa Bragg that took place on
09:48:40 13 July 20th, 2018.

09:48:46 14 THE COURT: Let me interrupt you here,
09:48:47 15 Mr. Bean.

09:48:48 16 You know, when we have recordings, the real evidence
09:48:52 17 is the recording itself, but we allow a professional
09:48:57 18 transcriber, you know, like Heather here, to listen to the
09:49:00 19 recordings and then to the best of their ability write it
09:49:03 20 down so -- to help you when you listen to the recording.
09:49:08 21 But the transcription is not the evidence, it's the
09:49:10 22 recording itself. Just so you know.

09:49:12 23 And eventually when you go back to the jury room, you
09:49:15 24 may or may not have the transcription, but you'll definitely
09:49:17 25 have the recording.

09:49:19 1 MR. BEAN: And this call, what the parties
09:49:21 2 have stipulated was July 20, 2018.

09:49:24 3 And can you play at the timestamp, please.

09:49:46 4 (Brief pause in proceedings.)

09:50:24 5 MR. HOWELL: Apologize, Your Honor. Carissa
09:50:25 6 is helping us with a technical issue again.

09:50:27 7 THE COURT: Thank God for her.

09:50:30 8 MR. HOWELL: Yes.

09:50:33 9 (Brief pause in proceedings.)

09:50:53 10 (Audio played.)

09:50:53 11 MR. BEAN: Can everybody hear that okay? That
09:50:56 12 little snippet that just played, did you hear that? Because
09:51:01 13 we are having some issues and testing getting it loud
09:51:05 14 enough.

09:51:06 15 All right.

09:51:36 16 BY MR. BEAN:

09:51:37 17 **Q** Did you make money from these businesses, Skilled
09:51:39 18 Shamrock and Redemption?

09:51:40 19 **A** Yes.

09:51:41 20 **Q** Did your co-owners make money?

09:51:44 21 **A** Yes.

09:51:44 22 **Q** Can you just give us a sense of how much? Was it a
09:51:48 23 lot?

09:51:48 24 **A** It was a good number.

09:51:51 25 **Q** Was it all cash?

09:51:54 1 **A** Was what all cash?

09:51:55 2 **Q** All the money you made from these businesses, were
09:51:58 3 they all cash?

09:51:59 4 **A** Yes.

09:51:59 5 **Q** I mean, were these cash businesses?

09:52:01 6 **A** Yes.

09:52:03 7 **Q** Did Mr. Karasarides receive a cut of that cash?

09:52:05 8 **A** Yes.

09:52:06 9 **Q** Did you ever deliver it to him?

09:52:08 10 **A** Occasionally.

09:52:10 11 **Q** Did you -- do you recall a period where
09:52:13 12 Mr. Karasarides went to prison?

09:52:15 13 **A** Yes.

09:52:16 14 **Q** In approximately 2014, to the best of your
09:52:23 15 recollection?

09:52:24 16 **A** Yeah.

09:52:24 17 **Q** Did Mr. Karasarides stop receiving cash from Skilled
09:52:27 18 Shamrock or Redemption after he got out of prison?

09:52:29 19 **A** No.

09:52:30 20 **Q** Did you ever deliver cash to him after he got out of
09:52:32 21 prison?

09:52:34 22 **A** I'm not sure.

09:52:37 23 **Q** What company prepared your tax returns for 2013
09:52:41 24 through 2017?

09:52:44 25 **A** Ron & Associates.

09:52:45 1 Q Who owned that company?

09:52:47 2 A Mr. DiPietro.

09:52:48 3 Q Did Ron DiPietro prepare some of your tax returns?

09:52:51 4 A Yes.

09:52:52 5 Q How did he come to prepare your tax returns?

09:52:58 6 A What do you mean how did he come?

09:53:00 7 Q How did that happen? How did you end up at

09:53:02 8 Mr. DiPietro's tax preparation business?

09:53:06 9 A Mr. Karasarides told me that I could go to him to get
09:53:08 10 my taxes prepared.

09:53:15 11 Q Did anybody else there prepare your tax returns, ever?

09:53:23 12 A Tristan, Ron's son, did it one time, and I believe
09:53:28 13 there was a lady that did it. I don't know who -- I don't
09:53:30 14 remember what her name was.

09:53:32 15 Q Do you recall, how many times did the lady do it?

09:53:36 16 A Once, I believe.

09:53:38 17 Q Did you report all of the income you received from
09:53:42 18 gambling rooms that you owned, including Skilled Shamrock
09:53:44 19 and Redemption, on your 2013 through 2017 tax returns?

09:53:49 20 A No.

09:53:51 21 Q Did Mr. DiPietro know you had income from your
09:53:54 22 gambling businesses?

09:53:55 23 A Yes. Yes.

09:53:57 24 MR. BEAN: Can we please pull up Exhibit 152.

09:54:03 25 Next page.

09:54:04 1 BY MR. BEAN:

09:54:04 2 Q Is this your 2017 tax return?

09:54:12 3 A Yes. It's me and my wife's.

09:54:16 4 MR. BEAN: Can we go to the next page, please,

09:54:19 5 Page 3 and Page 4, please, and one more page, please,

09:54:23 6 Page 5.

09:54:25 7 Back one.

09:54:28 8 BY MR. BEAN:

09:54:28 9 Q Is there a return preparer listed here?

09:54:31 10 Do you see where it says "paid preparer"?

09:54:33 11 A Okay. Okay.

09:54:37 12 Q Whose name is listed there?

09:54:39 13 A You're talking -- you're talking -- you're talking

09:54:43 14 about the firm's name?

09:54:44 15 Q Right above -- well, you can read off the firm, sure,

09:54:47 16 and also right above that.

09:54:49 17 A Oh, okay. The print type preparer's name was Ron

09:54:54 18 DiPietro. The firm's name was Ron & Associates, and the

09:54:57 19 firm's address is below that.

09:54:59 20 Q And did Mr. DiPietro, in fact, prepare this return?

09:55:02 21 A Yes.

09:55:03 22 Q All right.

09:55:05 23 MR. BEAN: Can we please go to what I believe

09:55:07 24 will be Page 6. Or one more. Okay.

09:55:12 25 Keep going. Sorry about that.

09:55:14 1 This page. Thank you. Page 8.

09:55:17 2 BY MR. BEAN:

09:55:17 3 **Q** What is this, as far as you understand it?

09:55:22 4 **A** A tax -- tax paper.

09:55:24 5 **Q** Um-hmm. And do you see at the top where it says
09:55:28 6 profit or loss from business in bold letters? Do you see
09:55:35 7 that?

09:55:35 8 **A** No, sir.

09:55:36 9 **Q** Right at the top in bold letters in the middle?

09:55:40 10 **A** Or right in the middle, yeah. Profit or loss from
09:55:44 11 business.

09:55:44 12 **Q** And what type of business is listed here?

09:55:46 13 **A** Handyman service.

09:55:50 14 **Q** Did you have a handyman service?

09:55:56 15 **A** No.

09:56:01 16 **Q** Why -- how did handyman service end up on your tax
09:56:04 17 return then?

09:56:06 18 **A** Well, there's no way to file for running an illegal
09:56:09 19 gambling business, so I put handyman as I was a technician
09:56:15 20 for the services -- or for the machines.

09:56:18 21 **Q** Who told you there was no way to file for an illegal
09:56:20 22 gambling business?

09:56:21 23 **A** Ron & Associates.

09:56:23 24 **Q** Anyone specifically at Ron & Associates?

09:56:26 25 **A** Not a hundred percent sure who told me that. Could

09:56:28 1 have been the woman that did it the first time, or Ron.

09:56:31 2 **Q** Do you know that the woman prepared your first tax
09:56:33 3 return, or do you know who prepared your first tax return?

09:56:35 4 **A** I -- it was a lady. I don't remember her name.

09:56:37 5 **Q** The first one?

09:56:38 6 **A** I believe so, yes.

09:56:47 7 MR. BEAN: Can we go to -- can we zoom out,
09:56:52 8 please? How much -- actually, let's go down a couple pages,
09:56:58 9 please.

09:57:01 10 Do you -- and can you zoom in at the top?

09:57:07 11 We're on Page 11.

12 BY MR. BEAN:

09:57:12 13 **Q** Did you have a car dealership business?

09:57:15 14 **A** Yes, sir. Yes, sir.

09:57:16 15 **Q** And what was it called?

09:57:18 16 **A** Premos Used Cars.

09:57:20 17 MR. BEAN: And if we can scroll out.

18 BY MR. BEAN:

09:57:21 19 **Q** Is it your understanding that this -- that's what's
09:57:24 20 reported here, financial information from your used car
09:57:27 21 business?

09:57:28 22 **A** Correct.

09:57:31 23 **Q** Now, when Mr. DiPietro and anyone else at Ron &
09:57:35 24 Associates prepared a tax return for you, did you bring
09:57:38 25 records from Premos to assist them in the preparation of the

09:57:44 1 return?

09:57:44 2 **A** Yes, sir.

09:57:44 3 **Q** And what kind of records did you bring?

09:57:46 4 **A** I had my -- I had my secretary print all the paperwork
09:57:51 5 that came off of the Frazer documentation from -- it was a
09:57:59 6 thing that we used from Frazer, and at the end of it you
09:58:02 7 just calculated everything from car sales to bills paid.

09:58:07 8 **Q** Was this pretty detailed information?

09:58:10 9 **A** Yeah.

09:58:11 10 **Q** Why did you bring this information?

09:58:14 11 **A** So that I could properly fill out the taxes for
09:58:17 12 Premos.

09:58:22 13 MR. BEAN: Now, could we go back to the other
09:58:24 14 Schedule C, please?

15 BY MR. BEAN:

09:58:25 16 **Q** When -- did you bring any records for a handyman
09:58:28 17 business when you went to go have your tax returns prepared?

09:58:32 18 **A** No.

09:58:33 19 **Q** Did you bring any records for Skilled Shamrock or
09:58:35 20 Redemption when you went to have your tax returns prepared?

09:58:38 21 **A** No, sir.

09:58:38 22 **Q** Why not?

09:58:38 23 **A** Didn't have any.

09:58:43 24 **Q** Did Mr. DiPietro ever ask you for any records relating
09:58:45 25 to a handyman business or for Skilled Shamrock or

09:58:48 1 Redemption?

09:58:49 2 **A** The only thing that we ever put in there was for my
09:58:53 3 expenses for the machine equipment.

09:58:57 4 **Q** Machine equipment for -- what kind of machine
09:59:00 5 equipment?

09:59:00 6 **A** For the skilled -- for the games, like bill accepters
09:59:03 7 and whatnot.

09:59:05 8 **Q** Did you have discussions with Mr. DiPietro about this
09:59:07 9 handyman business?

09:59:10 10 **A** Pertaining to what?

09:59:11 11 **Q** Like, how it ended up on your tax return?

09:59:14 12 **A** I already stated that we didn't have anything to put
09:59:17 13 for me being a technician, so we put handyman service that I
09:59:20 14 was doing.

09:59:22 15 **Q** Okay.

09:59:23 16 **A** Working on the --

09:59:26 17 **Q** Did you have that conversation with Mr. DiPietro?

09:59:28 18 **A** Sure.

09:59:28 19 **Q** And did you have an understanding with him about what
09:59:31 20 income is actually reported on here?

09:59:36 21 I mean, what income is actually reported on here?

09:59:39 22 **A** Says 126,000.

09:59:40 23 **Q** Right. But where was the source of that income?

09:59:43 24 **A** My head.

09:59:44 25 **Q** Your what?

09:59:45 1 **A** Top of my head.

09:59:46 2 **Q** Right. But what -- where -- what businesses was that
09:59:49 3 coming from?

09:59:49 4 **A** Redemption and Shamrock.

09:59:53 5 **Q** Okay. Did you have conversations with Mr. DiPietro
09:59:56 6 about what businesses that income was coming from?

10:00:03 7 **A** Did I have. . . one more time.

10:00:05 8 **Q** Did you have conversations with Mr. DiPietro about
10:00:07 9 what businesses that was coming from?

10:00:11 10 Did he know that this was coming from Skilled Shamrock
10:00:12 11 and Redemption?

10:00:13 12 **A** Yes.

10:00:14 13 **Q** How --

10:00:15 14 **A** He knew it was coming from game rooms, and Shamrock he
10:00:19 15 was involved with.

10:00:20 16 **Q** So did he know that you didn't have a handyman
10:00:22 17 business?

10:00:22 18 **A** Yes.

10:00:23 19 **Q** And he knew that this was income from game rooms,
10:00:25 20 including Shamrock?

10:00:26 21 **A** Yes, sir. Yes, sir. Yes. Yes.

10:00:31 22 **Q** When Mr. DiPietro prepared your tax returns,
10:00:35 23 particularly relating to the Premos part, did he have
10:00:45 24 questions for you? In the course of going through it, did
10:00:47 25 he ask you questions about the business, about expenses,

10:00:49 1 finances?

10:00:50 2 **A** Yeah.

10:00:50 3 **Q** All right. How about when preparing the handyman
10:00:54 4 business Schedule C, did he have questions for you?

10:00:57 5 **A** No. The only thing that I -- I ever put in there was
10:01:01 6 expenses.

10:01:06 7 **Q** Are the businesses Skilled Shamrock or Redemption
10:01:10 8 mentioned anywhere on this tax return?

10:01:11 9 **A** No. No. No.

10:01:18 10 **Q** Why aren't Skilled Shamrock and Redemption reported on
10:01:22 11 this tax return?

10:01:22 12 **A** Because like I stated before, there's nowhere to put
10:01:26 13 that you own a game room, so we put handyman service because
10:01:30 14 I worked on the machines.

10:01:31 15 **Q** Now, earlier you testified that Mr. DiPietro was a
10:01:33 16 co-owner in Skilled Shamrock; right?

10:01:35 17 **A** Correct.

10:01:36 18 **Q** Sitting here today, do you wonder how Mr. DiPietro
10:01:39 19 reported Skilled Shamrock on his tax return?

10:01:43 20 **A** It was none of my business.

10:01:45 21 **Q** How about sitting here today?

10:01:48 22 **A** Do I wonder why he didn't --

10:01:50 23 **Q** How could he have if you were told that you couldn't
10:01:53 24 report these businesses?

10:01:54 25 MR. KERSEY: Judge, I'd object. That assumes

10:01:57 1 a prior question on that.

10:01:58 2 THE COURT: Overruled.

10:01:58 3 Go ahead.

10:01:59 4 THE WITNESS: All right. You're going to have
10:02:00 5 to repeat that -- repeat that one more time.

10:02:03 6 BY MR. BEAN:

10:02:03 7 **Q** You testified that you were told that these businesses
10:02:05 8 couldn't be reported on your tax return; right?

10:02:07 9 **A** Correct.

10:02:07 10 **Q** So sitting here today, do you wonder how your
10:02:10 11 co-owner, Mr. DiPietro, the preparer who prepared this tax
10:02:14 12 return, reported his income from these businesses?

10:02:16 13 **A** No. I never even thought of it.

10:02:21 14 **Q** How did you initially meet Mr. Karasarides?

10:02:25 15 **A** Through poker games.

10:02:31 16 **Q** And how did you get involved in these game rooms?

10:02:34 17 **A** I always wanted to get into them and was at the right
10:02:38 18 place at the right time and was able to fall into one.

10:02:41 19 **Q** And how did you end up in business specifically with
10:02:44 20 Mr. Karasarides?

10:02:48 21 **A** He and Mr. DiPietro put the machines into Redemption
10:02:54 22 Skill Rooms.

10:02:54 23 **Q** How did you get invited to be involved in Redemption?

10:02:58 24 **A** I asked him to be a game room owner.

10:03:00 25 **Q** And why did you ask Mr. Karasarides?

10:03:03 1 **A** Because he was in the business.

10:03:07 2 **Q** Let's talk some more about Skilled Shamrock.

10:03:10 3 How did you get involved in Skilled Shamrock?

10:03:18 4 **A** Was asked -- was -- was asked to take over the
10:03:25 5 property from Big Store.

10:03:28 6 **Q** And who is Big Store?

10:03:36 7 Is he a person?

10:03:37 8 **A** Bill Strathakaros I believe was his name.

9 MR. KERSEY: I can't hear him, Judge.

10 THE WITNESS: Bill Strathakaros was his name.

10:03:46 11 BY MR. BEAN:

10:03:46 12 **Q** Who asked you to get involved in Skilled Shamrock?

10:03:49 13 **A** Mr. Karasarides.

10:03:54 14 **Q** Was Skilled Shamrock already operating at that time?

10:03:56 15 **A** Yes.

10:03:59 16 **Q** As far as you're aware, did Mr. Strathakaros have any
10:04:03 17 relationship with Mr. Karasarides?

10:04:05 18 **A** Friends.

10:04:06 19 **Q** Why did they bring you in -- or why did
10:04:10 20 Mr. Karasarides bring you in?

10:04:13 21 **A** Because I'm friends with him.

10:04:15 22 **Q** At that time, was Mr. DiPietro already involved in
10:04:18 23 Skilled Shamrock?

10:04:20 24 **A** To my knowledge, yes.

10:04:21 25 **Q** And just -- I think you answered this already, but can

10:04:24 1 you just -- again, approximately what time period was this?

10:04:27 2 **A** I believe it was 2010 or '11.

10:04:30 3 **Q** Did you agree to get involved in Skilled Shamrock?

10:04:32 4 **A** Yep.

10:04:33 5 **Q** Did Mr. Dayton get involved in Skilled Shamrock?

10:04:35 6 **A** Yes.

10:04:36 7 **Q** And was that around the same time?

10:04:37 8 **A** Yes.

10:04:43 9 **Q** Now, I think earlier you testified that Mr. Derek

10:04:48 10 Phillips was listed as the owner of Skilled Shamrock. Why

10:04:51 11 not -- if the business had multiple owners, why not list it

10:04:54 12 as a partnership?

10:04:57 13 MR. GOLDBERG: Objection.

10:04:57 14 THE COURT: Overruled.

10:04:58 15 THE WITNESS: List what as partnership?

10:05:00 16 BY MR. BEAN:

10:05:00 17 **Q** I mean, why not list it as the business had multiple
10:05:04 18 owners? Why not do it -- why not say who the actual owners
10:05:07 19 were? Why not set it up that way?

10:05:11 20 **A** Like I stated before, I don't know if there was a game
10:05:15 21 room in Stark County that had the right name on it.

10:05:17 22 **Q** Now, earlier you said you didn't want it in your name
10:05:20 23 because you were a felon. What -- are you referencing a
10:05:23 24 specific offense?

10:05:24 25 **A** The city of Plain Township had to approve --

10:05:29 1 MR. GOLDBERG: Objection. Not responsive.

10:05:30 2 THE COURT: He can answer.

10:05:32 3 THE WITNESS: The city of Plain Township had
10:05:35 4 guidelines that you had to go through in order to open a
10:05:39 5 game room. Being a felon was going to pretty much null and
10:05:44 6 void that.

10:05:45 7 BY MR. BEAN:

10:05:45 8 Q Was there a specific offense that you were thinking
10:05:49 9 of, you know, when -- why you didn't want to be on the
10:05:53 10 owner -- be listed as an owner?

10:05:56 11 A No.

10:05:56 12 Q Had you previously gotten in trouble for operating a
10:05:58 13 game room?

10:06:01 14 A Yes. It was after -- but that was after Redemption
10:06:04 15 opened.

10:06:04 16 Q Okay. And where was that store?

10:06:06 17 A Massillon, Ohio.

10:06:08 18 Q And did you do that store with anybody else?

10:06:10 19 A Myself, Larry, and Chris.

10:06:12 20 Q Chris who?

10:06:14 21 A Kare.

10:06:17 22 Q Did Mr. Phillips get paid for being listed as the
10:06:22 23 owner on the business?

10:06:22 24 A Yes.

10:06:23 25 Q Did he do other work there in addition to --

10:06:26 1 A He was like the manager of the store while he was
10:06:28 2 there.

10:06:29 3 Q Do you recall who owned the building at Skilled
10:06:33 4 Shamrock? Would -- that Skilled Shamrock was located in?

10:06:36 5 A Mr. Steve.

10:06:37 6 Q Do you know Steve's last name?

10:06:40 7 A I think it's Karasarides too.

10:06:42 8 Q Was he an owner of Skilled Shamrock?

10:06:44 9 A No, sir.

10:06:46 10 Q Was he frequently at the business?

10:06:48 11 A No, sir.

10:06:50 12 Q Are you aware of him telling anybody that he was an
10:06:52 13 owner of the business?

10:06:54 14 A Not to my knowledge.

10:06:56 15 Q All right.

10:06:57 16 MR. BEAN: Can we please pull up Exhibit 402.

10:07:04 17 BY MR. BEAN:

10:07:04 18 Q What is this?

10:07:05 19 A Front -- front door of Skilled Shamrock.

10:07:08 20 Q Is this how Skilled Shamrock looked at times when you
10:07:12 21 were involved in the business?

10:07:19 22 A No. I believe we repainted it.

10:07:21 23 Q But when did you -- if you recall, approximately when
10:07:24 24 did you repaint it?

10:07:26 25 A I'm not sure. I mean, maybe 2012 or '13-ish. I'm not

10:07:30 1 a hundred percent.

10:07:32 2 **Q** Is this a true and accurate representation of Skilled
10:07:35 3 Shamrock when -- during a period during which you owned it?

10:07:37 4 **A** Yes, sir.

10:07:40 5 MR. BEAN: Can we please pull up Exhibit 400?

10:07:45 6 BY MR. BEAN:

10:07:46 7 **Q** What are we looking at here?

10:07:49 8 **A** The inside front room of Shamrock.

10:07:53 9 **Q** And can you just -- if there were patrons here, can
10:07:58 10 you just paint us a picture of where they might be?

10:08:00 11 **A** Sitting in those chairs.

10:08:01 12 **Q** And what would they be doing?

10:08:06 13 **A** They could be doing a lot of things. They could be
10:08:08 14 playing a game. They could be just sitting there BS'g.

10:08:12 15 **Q** Where -- how did -- are there machines in this photo?
10:08:16 16 Do you see machines?

10:08:17 17 **A** Yes, sir.

10:08:17 18 **Q** Is that where people play the games?

10:08:19 19 **A** Yes, sir.

10:08:22 20 **Q** Do you recall approximately how many machines were at
10:08:24 21 Skilled Shamrock in, say, 2018?

10:08:31 22 An estimate's fine.

10:08:35 23 **A** 36 to 42 machines.

10:08:40 24 MR. BEAN: Can we please pull up Exhibit 403?

10:08:46 25 BY MR. BEAN:

10:08:47 1 Q What is this?

10:08:49 2 A Those are signs that we had made that we put on
10:08:55 3 machines, and I believe one was taped to the wall, maybe.

10:09:01 4 Q And were -- was a sign like this at Skilled Shamrock?

10:09:05 5 A I believe it was at all the game rooms. Not -- excuse
10:09:10 6 me, let me rephrase that.

10:09:11 7 It was at Redemption. It was at the game rooms that I
10:09:15 8 was in ownership with.

10:09:16 9 Q So, that includes Skilled Shamrock and Redemption?

10:09:19 10 A Correct.

10:09:20 11 Q At the very least?

10:09:21 12 A Correct.

10:09:25 13 Q Were there prizes on the wall at Skilled Shamrock?

10:09:29 14 A Yes.

10:09:30 15 Q What kind of prizes? Give us a sense.

10:09:33 16 A Dollar General prizes.

10:09:40 17 Q Why were they prizes on the wall?

10:09:42 18 A Because like I stated before, the State of Ohio, it's
10:09:45 19 like it was the way -- the way it was done said to me is
10:09:48 20 it's like an adult Chuck E. Cheese, that when the points on
10:09:53 21 the tickets are supposed to be paid out in prizes. So we
10:09:55 22 had tickets -- I mean, we had prizes that amounts to points.

10:10:00 23 Q Did people ever request these prizes instead of cash?

10:10:03 24 A Yes. Yes.

10:10:04 25 Q Was that a common occurrence?

10:10:07 1 A No.

10:10:11 2 Q When you first became a part of Skilled Shamrock, what
10:10:14 3 was your role as far as the actual operations of the
10:10:17 4 business?

10:10:18 5 A Day-to-day operations.

10:10:20 6 Q And did that ever change during your time involved in
10:10:25 7 Skilled Shamrock?

10:10:25 8 A No.

10:10:28 9 Q How were the profits at Skilled Shamrock divided when
10:10:35 10 you first joined?

10:10:36 11 A 60-40.

10:10:37 12 Q But who gets each percentage?

10:10:39 13 A Myself, Larry, and Chris got 60, and Ron received 40.

10:10:47 14 Q Now, of those 60/40, which -- which side did the
10:10:52 15 expenses come out of?

10:10:54 16 A To start, myself, Larry, and Chris.

10:10:58 17 Q So the 60 percent?

10:10:59 18 A Correct.

10:11:00 19 Q Now, at some point did that change?

10:11:02 20 A Yes.

10:11:03 21 Q All right. What changed about that?

10:11:06 22 A I got mad because expenses weren't being taken out
10:11:11 23 properly, so we went 50/50.

10:11:15 24 Q Now, did you -- did the owners at Skilled Shamrock
10:11:20 25 have audits performed at the business, of the machines?

10:11:26 1 A Yes.

10:11:26 2 Q All right. And approximately how often did those
10:11:28 3 occur?

10:11:28 4 A Once a week.

10:11:30 5 Q And during the audits, can you just describe for us
10:11:36 6 kind of what would happen?

10:11:37 7 A Myself and whoever was on call with -- for Ron went
10:11:41 8 around and did printouts, and each machine printed out a
10:11:47 9 ticket.

10:11:47 10 Q And what did that ticket say?

10:11:49 11 A Total -- what the total in, out, and profit was.

10:11:54 12 Q And when you say in and out, is that money in and
10:11:57 13 money out?

10:11:57 14 A Yes, sir.

10:11:58 15 Q Did you remove money from the machines?

10:12:01 16 A Yes.

10:12:01 17 Q Was it counted?

10:12:02 18 A Yes.

10:12:03 19 Q Were expenses taken out?

10:12:05 20 A Yes.

10:12:06 21 Q And what happened with the leftover profits?

10:12:12 22 A We divided it.

10:12:14 23 MR. BEAN: Can you please pull up Exhibit 330
10:12:17 24 which the parties have stipulated is an authentic text
10:12:21 25 message between Mr. Kachner and Mr. DiPietro.

10:12:26 1 And can we please go down a few pages. There's one on
10:12:29 2 12-10. Keep going, please.

10:12:30 3 All right. That's perfect.

10:12:31 4 And we're on Page 3 here.

10:12:35 5 Please -- can you please zoom in on the -- at the top
10:12:38 6 there, kind of the top third of the page.

10:12:42 7 Yeah.

10:12:47 8 BY MR. BEAN:

10:12:47 9 **Q** What are you texting Mr. DiPietro about here in
10:12:51 10 December of 2017?

10:13:01 11 (Brief pause in proceedings.)

10:13:11 12 THE WITNESS: Looks like the. . . from what
10:13:13 13 I'm reading, it's stating that the numbers were off by
10:13:16 14 \$4,000. They just totaled it and put it into expenses
10:13:21 15 instead of figuring out where it was at. And it says -- I
10:13:24 16 said that Jay messed up.

10:13:28 17 BY MR. BEAN:

10:13:29 18 **Q** Who is Jay? Do you know a Jay?

10:13:31 19 **A** Jay was the guy that came in with -- for Ron.

10:13:35 20 **Q** Do you know Jay's last name?

10:13:44 21 **A** Spitale, maybe.

10:13:46 22 **Q** And -- well, first off, I'll ask you, the text
10:13:49 23 response, it lists Melodee. Do you know anyone named
10:13:54 24 Melodee?

10:13:55 25 **A** Melodee?

10:13:56 1 Q Do you have any reason to think that a Melodee is
10:13:59 2 texting you?

10:14:00 3 A Melodee. I don't know a Melodee.

10:14:02 4 Q Do you know Mr. DiPietro -- you were texting
10:14:05 5 Mr. DiPietro here?

10:14:05 6 A Correct.

10:14:05 7 Q Okay. How does he respond? Could you read that,
10:14:09 8 please.

10:14:12 9 Could you read that part out loud, please?

10:14:15 10 A You're wanting me to read the one right below where it
10:14:19 11 says Melodee?

10:14:20 12 Q The one where it says "sorry to hear."

10:14:22 13 A "Sorry to hear. I can't make Mondays. I have office
10:14:24 14 ours. However, Tristan is going to call to work out a
10:14:28 15 different time that works for both of you."

10:14:29 16 Q Who -- did you know -- do you know anybody named
10:14:32 17 Tristan associated with Mr. DiPietro?

10:14:34 18 A It's his son.

10:14:35 19 Q Had Tristan DiPietro ever performed any audits at
10:14:42 20 Skilled Shamrock?

10:14:42 21 A For a brief time when Trina passed away.

10:14:44 22 Q And who is Trina?

10:14:46 23 A Was a female that worked for Ron.

10:14:50 24 MR. BEAN: And could we zoom back out and zoom
10:14:56 25 in on the next part.

10:14:59 1 Yeah. Right there is perfect.

10:15:08 2 BY MR. BEAN:

10:15:08 3 **Q** Can you please read your response to him out loud.

10:15:11 4 **A** Top paragraph?

10:15:13 5 **Q** The top text message, yes, please.

10:15:15 6 **A** "That would work out great. Monday mornings with him
10:15:23 7 again."

8 (Court reporter interjection.)

10:15:24 9 **A** "I'm not sure how much control you have over Jay, but
10:15:27 10 I'm sorry, he has no clue. We have been short for the last
10:15:33 11 5 to 6 weeks since he took back over for Tristan. He puts
10:15:37 12 stuff into expenses to make it right when short, then you
10:15:40 13 get your paperwork looking good. Sorry, but if we was short
10:15:45 14 when Trina was working, she would be in there Monday
10:15:48 15 afternoon to figure it out, not just sweep it under the rug
10:15:51 16 and put it in expenses."

10:15:52 17 Actually, it says "out," but that should be "put."

10:15:56 18 "Again, not trying to be that guy, but I have 30 brand
10:16:01 19 new machines in my garage. Want to be a man of my word by
10:16:04 20 keeping you guys there, but if we can't come up with a
10:16:06 21 solution that works for the owner, then the owners will take
10:16:10 22 different steps. Sorry, but shit's got to change today."

10:16:13 23 **Q** Now, when you reference the owner will take different
10:16:16 24 steps, who did you mean as the owner?

10:16:18 25 **A** I'm talking to Ron DiPietro in this.

10:16:20 1 Q Yeah, but who -- when you say it, who do you mean the
10:16:24 2 owner? I didn't catch your answer.

10:16:25 3 A I'm talking -- I'm speaking -- this text message is
10:16:28 4 speaking with Ron DiPietro.

10:16:29 5 Q Right. Okay. You read, "that works for the owner,
10:16:33 6 then the owner will take different steps" in your text
7 message.

10:16:37 8 Who is the owner that you're referring to?

10:16:38 9 A Myself.

10:16:39 10 Q Okay. How does Mr. DiPietro respond?

10:16:45 11 A "I believe we are the owner too."

10:16:47 12 Q Who is the "we," as you understand?

10:16:51 13 MR. GOLDBERG: Objection.

10:16:52 14 THE COURT: Overruled.

10:16:53 15 THE WITNESS: Who is the "we" as into what?

10:16:55 16 BY MR. BEAN:

10:16:55 17 Q He -- that -- Mr. DiPietro says "I believe we are the
10:16:58 18 owner too."

10:16:58 19 A Oh.

10:16:58 20 Q Who is "we"?

10:16:59 21 A Himself and Chris.

10:17:01 22 Q All right. And how did you reply?

10:17:04 23 A "You are right of the machines. We are the owners of
10:17:10 24 the business; correct?"

10:17:11 25 Q And what does Mr. DiPietro reply to you?

10:17:19 1 **A** "I think we opened that business and needed Billy out,
10:17:22 2 so Chris talked to his cousin and had you guys take over
10:17:25 3 day-to-day."

10:17:34 4 MR. BEAN: Can we please go to Exhibit 411?

10:17:42 5 And can you scroll through this -- can you scroll
10:17:45 6 through this so the witness has a chance to just review the
10:17:48 7 documents in here, quickly.

10:17:51 8 (Brief pause in proceedings.)

10:18:05 9 MR. BEAN: All right. That's fine. Can we go
10:18:07 10 back to the first one?

10:18:08 11 BY MR. BEAN:

10:18:09 12 **Q** What are these records? Do you recognize them?

10:18:13 13 **A** These are on the back board of each -- of the score --
10:18:16 14 of the store. This was, I don't know, maybe in Shamrock,
10:18:21 15 I'm not sure.

10:18:21 16 **Q** Well, do you see at the top, what it does it say?

10:18:24 17 **A** Shamrock, 4225 Hills and Dales Road.

10:18:28 18 **Q** Was that the address of Skilled Shamrock?

10:18:31 19 **A** I'm not -- yeah. I don't know exactly.

10:18:32 20 **Q** Any reason to think it wasn't the address?

10:18:36 21 **A** Yeah, it probably is, yeah.

10:18:36 22 **Q** And beneath that, it looks like there are a whole
10:18:41 23 bunch of phone numbers. Who's listed -- whose phone numbers
10:18:44 24 are listed there? Who are these people?

10:18:46 25 **A** Employees.

10:18:47 1 Q So who is Derek?

10:18:49 2 A The guy we spoke about before that was the owner.

10:18:53 3 Q And do you see down at the bottom on the list, there's

10:18:57 4 a Thomas. Who's Thomas?

10:19:00 5 A Thomas Helmick.

10:19:03 6 Q And below that do you see where it says "machine"?

10:19:04 7 A Yes, sir.

10:19:05 8 Q All right. What names are listed there?

10:19:07 9 A Mike and Mike Sr., Jr.

10:19:10 10 Q And do you know who that references?

10:19:12 11 A Mr. Money Penny.

10:19:13 12 Q And who is he?

10:19:14 13 A Was Ron's machine guy.

10:19:19 14 Q How do you know that?

10:19:20 15 A Because he came and did audits and fixed machines.

10:19:24 16 Q At Skilled Shamrock?

10:19:25 17 A At probably 80 percent of the game rooms in Canton

10:19:29 18 that trusted him.

10:19:38 19 Q Did Mr. Money Penny have any involvement in Redemption?

10:19:42 20 A He would come and fix machines.

10:19:45 21 Q Are you aware of Mr. DiPietro having leases for

10:19:50 22 machines for game rooms he was involved in?

10:19:54 23 A I believe he has -- he had Derek fill out some type of

10:20:00 24 paperwork, yes.

10:20:00 25 MR. BEAN: Can you pull up Exhibit 410,

10:20:03 1 please?

10:20:07 2 And if you could just -- I'll give you a moment to
10:20:09 3 kind of take a look at this page.

10:20:21 4 BY MR. BEAN:

10:20:21 5 Q Who -- in that first paragraph, does it list who the
10:20:24 6 parties of this -- to this document are?

10:20:27 7 A "Equipment lease agreement is entered in between RNB
10:20:32 8 Leasing, LLC, and herein lessor, Derek Phillips."

10:20:36 9 Q Do you know what RNB Leasing is?

10:20:41 10 A I don't know what it stands for, no.

10:20:42 11 Q But do you -- who's -- do you know who's involved in
10:20:46 12 that business?

10:20:46 13 A Yeah. It was Ron.

10:20:48 14 Q All right.

10:20:48 15 MR. BEAN: Can you please go to Page 7?

10:20:53 16 BY MR. BEAN:

10:20:54 17 Q And does it appear that this document is signed?

10:21:02 18 A Yeah, it's signed.

10:21:03 19 Q By whom?

10:21:07 20 A Tristan DiPietro and Derek Phillips.

10:21:11 21 Q Now, was Derek Phillips an owner -- a real owner of
10:21:15 22 Skilled Shamrock?

10:21:15 23 A No. His name was on the lease.

10:21:17 24 Q Did Mr. DiPietro believe Derek Phillips was a real
10:21:20 25 owner of Skilled Shamrock?

10:21:22 1 MR. FEDOR: Objection.

10:21:23 2 THE COURT: Objection sustained.

10:21:25 3 BY MR. BEAN:

10:21:25 4 Q Do you have any reason to believe whether Mr. DiPietro
10:21:28 5 believed Derek Phillips was an owner of Skilled Shamrock?

10:21:31 6 MR. FEDOR: Objection.

10:21:32 7 THE COURT: Sustained.

10:21:33 8 BY MR. BEAN:

10:21:34 9 Q Did you ever have any conversations with Mr. DiPietro
10:21:37 10 where he indicated that he believed Derek Phillips was an
10:21:40 11 owner of Skilled Shamrock?

10:21:41 12 MR. FEDOR: Objection.

10:21:42 13 THE COURT: Overruled.

10:21:44 14 THE WITNESS: He knew Derek Phillips wasn't
10:21:46 15 the owner.

10:21:47 16 MR. GOLDBERG: Objection. Non-responsive.

10:21:50 17 THE COURT: Did you ever have a conversation
10:21:51 18 with him about that?

10:21:53 19 THE WITNESS: Yeah, he knew -- he knew that --
10:21:55 20 he knew who the owners were.

10:21:57 21 MR. GOLDBERG: Objection. Non-responsive.

10:21:59 22 THE COURT: How do you know that?

10:22:01 23 THE WITNESS: Because we talked about. He
10:22:02 24 knew that myself, Chris, and Larry were the owners.

10:22:05 25 THE COURT: Thank you.

10:22:06 1 BY MR. BEAN:

10:22:07 2 Q What's -- is there a date listed below these
10:22:10 3 signatures?

10:22:10 4 A 8-29-2010.

10:22:14 5 MR. BEAN: Can you go to Page 9, please?

10:22:20 6 I'll give you a chance to take a look at what's
10:22:22 7 written here.

10:22:23 8 (Brief pause in proceedings.)

10:22:27 9 BY MR. BEAN:

10:22:27 10 Q Mr. Kachner, what's written here?

10:22:30 11 A How to list the machines that were in Shamrock.

10:22:37 12 MR. BEAN: Can we please go up to Page 2?

10:22:47 13 BY MR. BEAN:

10:22:47 14 Q I want to direct your attention to the bottom
10:22:49 15 paragraph that's in all caps.

10:22:51 16 Could you please read that section out loud?

10:22:54 17 MR. FEDOR: Objection, Your Honor. No
10:22:55 18 foundation for this document.

10:22:56 19 MR. BEAN: This document's stipulated to by
10:23:00 20 the parties to authenticity.

10:23:01 21 THE COURT: I thought too.

10:23:01 22 Yeah, go ahead.

10:23:03 23 THE WITNESS: Read it?

10:23:03 24 MR. BEAN: Yes, please.

10:23:04 25 THE WITNESS: "Lessee further" -- I don't know

10:23:09 1 what -- "convenience that the equipment at all times will be
10:23:12 2 used and operated in accordance with all applicable local,
10:23:17 3 state, and federal government laws, statutes, regulations,
10:23:23 4 and ordinances, specifically including, without limitation,
10:23:28 5 Ohio Revised Code § 2915.01(AAA), all of which lessee
10:23:37 6 convinced [sic] that it has read and understands. Lessee
10:23:41 7 shall at all times keep apprised of and shall in all
10:23:46 8 respects abide by all laws, regulations, and changes thereto
10:23:52 9 affecting the use and. . ."

10:23:56 10 MR. BEAN: Can you go to the next page please
10:23:58 11 so we can read it?

10:24:03 12 BY MR. BEAN:

10:24:04 13 Q Right at the top, sir. In bold.

10:24:06 14 A Oh, ". . .operations of the equipment and legally
10:24:10 15 permissible prizes and rewards."

10:24:14 16 Q Thank you.

10:24:15 17 MR. BEAN: Can you go back to Page 2.

18 BY MR. BEAN:

10:24:18 19 Q Was Skilled Shamrock operating -- did you believe
10:24:20 20 Skilled Shamrock was operating consistent with state laws?

10:24:26 21 MR. FEDOR: Objection.

10:24:27 22 THE COURT: Overruled.

10:24:31 23 THE WITNESS: I didn't hear what he said.

10:24:32 24 Did he say --

10:24:33 25 BY MR. BEAN:

10:24:34 1 Q You can answer the question.

10:24:35 2 A Did I -- one more time?

10:24:37 3 Q Did you believe that Skilled Shamrock was operating in
10:24:39 4 accordance with state laws?

10:24:41 5 A No. We knew they wasn't.

10:24:43 6 Q All right. When you say "we knew," who's "we"?

10:24:46 7 A The owners that I stated before.

10:24:49 8 Q Did Mr. DiPietro ever tell you he needed to pull his
10:24:52 9 machines out?

10:24:53 10 A No.

10:24:54 11 Q Did Mr. DiPietro ever express any concern to you that
10:24:58 12 the business was not operating in accordance with state law?

10:25:01 13 A No.

10:25:02 14 Q Was it ever a discussion anybody ever had?

10:25:05 15 A No.

10:25:06 16 Q Was it ever even a thought in your mind?

10:25:08 17 A No.

10:25:11 18 Q Did you ever have any discussions with Mr. DiPietro
10:25:14 19 about whether Skilled Shamrock should not pay out cash --

10:25:18 20 A No.

10:25:18 21 Q -- to patrons?

10:25:20 22 What would have happened if Skilled Shamrock didn't
10:25:22 23 pay out cash?

10:25:24 24 A There would have been no customers inside the doors.

10:25:29 25 MR. BEAN: Can we please go to Exhibit 407?

10:25:43 1 BY MR. BEAN:

10:25:44 2 Q Sir, do you recognize this?

10:25:47 3 A Yeah. Yes.

10:25:48 4 Q What are we looking at here?

10:25:56 5 A It's a page inside the terminal audits that you can
10:25:59 6 look to see what your percentages are and set your
10:26:02 7 percentages and tells you, I don't know if it's the lifetime
10:26:07 8 of the board.

10:26:08 9 Q Well, do you see at the bottom where it says "last
10:26:15 10 time game stats cleared"?

10:26:16 11 A Yes.

10:26:17 12 Q Is there a date there?

10:26:18 13 A 2-9-10.

10:26:19 14 Q Okay. So can we presume that these stats at least are
10:26:22 15 from 2-9-10 to the date this photo was taken? I mean, does
10:26:29 16 it make sense?

10:26:30 17 A Yes.

10:26:30 18 Q Are the names of the games listed here?

10:26:34 19 A Yes.

10:26:35 20 Q Are the games that people could play the ones in
10:26:38 21 green?

10:26:38 22 A Yeah.

10:26:39 23 Q All right. So, do you see where it says "Keno"?

10:26:43 24 Can you just describe Keno, briefly?

10:26:46 25 A Which one?

10:26:46 1 Q I mean, is there a significant difference between
10:26:49 2 Touch Easy Keno and Superball Keno?

10:26:52 3 A Yeah, I believe there is.

10:26:54 4 Q All right. So, can you just -- let's go Superball
10:26:57 5 Keno.

10:26:57 6 A I'm not a hundred percent, but I believe there was
10:27:00 7 like a bonus ball. If you hit it on your number, you got a
10:27:04 8 multiplier, I believe.

10:27:05 9 Q Just what's Keno?

10:27:06 10 A Just like your Ohio Lottery. Pick your numbers and --
10:27:09 11 just like you play in a bar.

10:27:10 12 Q So you just got to hit the numbers?

10:27:13 13 A Pick your numbers, place cash -- I mean your bet.

10:27:16 14 Q And earlier you talked about 777 and Respin 777.
10:27:19 15 Do you see those here?

10:27:20 16 A Yeah.

10:27:21 17 Q All right. Now, on the far right do you see where it
10:27:23 18 says "payout percentage"?

10:27:24 19 A Yeah. Yes. Yes.

10:27:25 20 Q What's payout percentage?

10:27:28 21 A For? For what one? For what game?

10:27:32 22 Q Just not any -- I'm not asking about the number; I'm
10:27:35 23 asking what is a payout percentage. What is that?

10:27:39 24 A That was the percentage that the machine would pay
10:27:42 25 out, meaning that it was set at 94 percent payout, it would

10:27:46 1 hold 6.1 percent.

10:27:49 2 MR. GOLDBERG: Your Honor, we're going to
10:27:50 3 object to this because I don't believe this document was
10:27:52 4 stipulated to.

10:27:52 5 THE COURT: All right. We'll take our morning
10:27:54 6 recess at this time and we can talk about it.

10:27:55 7 All right, folks, we'll take 15, 20 minutes to refresh
10:27:59 8 yourself.

10:27:59 9 Keep in mind the admonition. We'll see you back here
10:28:02 10 in about 15 or 20 minutes.

10:28:04 11 COURTROOM DEPUTY: All rise.

10:28:04 12 (Jury excused from courtroom at 10:28 a.m.)

10:28:43 13 THE COURT: I didn't think any of this stuff
10:28:44 14 was in dispute.

10:28:45 15 MR. GOLDBERG: So, Your Honor, you know, I
10:28:46 16 should have caught it quicker, but Mr. Kachner is testifying
10:28:49 17 from a document that -- and testifying -- identified it, but
10:28:55 18 I don't believe a full foundation's been laid for this.
10:28:58 19 This has not been stipulated to.

10:28:59 20 THE COURT: No, but I mean I didn't think it
10:29:02 21 was in dispute about the percentages and things like that
10:29:05 22 with the machines.

10:29:06 23 MR. GOLDBERG: Well, I mean --

10:29:07 24 THE COURT: People mentioned that in opening
10:29:09 25 statement and everything.

10:29:09 1 MR. GOLDBERG: Well, that's correct, but
10:29:10 2 there's more than just the percentages here. I mean,
10:29:13 3 there's a date that's referenced. There's the game names.
10:29:20 4 You know, there's some other, looks like coding information.

10:29:23 5 THE COURT: You don't think Mr. Kachner has
10:29:24 6 the knowledge about that?

10:29:26 7 MR. GOLDBERG: I'm not sure Mr. Kachner has
10:29:27 8 personal knowledge of -- well, at least I'd want to hear
10:29:30 9 testimony and a foundation that he's got personal knowledge
10:29:33 10 of how this was compiled because he's testifying from it and
10:29:37 11 he's going to --

10:29:38 12 THE COURT: But, he can -- if he understands
10:29:40 13 what it is and he has knowledge of the circumstances, he can
10:29:42 14 testify about it.

10:29:43 15 MR. FEDOR: Judge, we don't even know what the
10:29:45 16 accuracy of this is. This printout --

10:29:47 17 THE COURT: Again, you can cross-examine him
10:29:51 18 on that.

10:29:52 19 MR. FEDOR: Exactly.

10:29:54 20 MR. GOLDBERG: I do think that the government
10:29:55 21 has to lay a foundation as to how the document was created.

10:29:56 22 THE COURT: Well, Mr. Bean, what do you think?

10:29:58 23 MR. BEAN: I understand Mr. Kachner testified
10:29:59 24 that he was familiar with this, that this was on the
10:30:01 25 machines. I can ask him the question specifically, was this

10:30:05 1 screen available on the machines at Skilled Shamrock and
10:30:08 2 Redemption, when we bring the jury back.

10:30:09 3 THE COURT: Well, I think that's what they're
10:30:11 4 looking for.

10:30:12 5 MR. BEAN: I will ask that specific question.

10:30:13 6 THE COURT: I mean, yeah.

10:30:14 7 One of the problems of always looking at documents is
10:30:17 8 sometimes it's better just to ask the witness the questions.
10:30:20 9 Because they know. He was there. Right?

10:30:23 10 MR. KERSEY: Judge, it's a hearsay document.

11 We don't know --

12 (Cour reporter interjection.)

10:30:30 13 MR. KERSEY: Judge, the argument is it's a
10:30:32 14 classic hearsay document. You don't know who put that in
10:30:34 15 there. Bring him in, how they -- how those were put in
10:30:37 16 there, all the -- everybody that put all those figures in
10:30:40 17 there.

10:30:40 18 THE COURT: We got it.

10:30:41 19 MR. KERSEY: It's a hearsay document. It's
10:30:43 20 inadmissible, I think.

10:30:44 21 THE COURT: Okay.

10:30:46 22 COURTROOM DEPUTY: Court is in recess.

10:45:09 23 (Recess was taken at 10:30 a.m. till 11:04 a.m.)

11:04:03 24 COURTROOM DEPUTY: All rise for the jury.

11:04:09 25 (Jury returned to courtroom at 11:04 a.m.)

11:04:32 1 COURTROOM DEPUTY: Court is in session.

11:04:33 2 Please be seated.

11:04:34 3 THE COURT: Mr. Bean, rather than go through
11:04:36 4 the different exhibits that maybe he didn't author, you can
11:04:39 5 just ask the witness what he knows.

11:04:42 6 MR. BEAN: Sure. I'd still like to show him
11:04:44 7 that exhibit. I'm happy to lay the foundation for it.

11:04:48 8 THE COURT: Okay. But you're going to show
11:04:50 9 him an exhibit that he doesn't -- he didn't author?

11:04:54 10 MR. BEAN: I'll explain -- I mean, if they
11:04:57 11 object and I think there's a basis for showing that exhibit
11:05:00 12 and I'll establish it on the record, and if they object and
11:05:05 13 you sustain the objection --

11:05:07 14 THE COURT: All right. But you're going to
11:05:08 15 ask him about what he knows about what the information is on
11:05:11 16 the exhibit?

11:05:12 17 MR. BEAN: I'm going to ask him about the
11:05:14 18 columns and what's just -- just what's there. I'm not going
11:05:16 19 to ask him about the specific, you know, did this machine
11:05:19 20 pay out at this percentage or did this machine have those --
11:05:22 21 it's really as much a demonstrative to just explain to the
11:05:27 22 jury in part how these machines operated.

11:05:29 23 THE COURT: Well, then you can ask him that
11:05:30 24 without referring to the exhibit.

11:05:33 25 I mean, makes things a lot smoother.

11:05:37 1 MR. BEAN: I can proceed that way.

11:05:39 2 THE COURT: Okay.

11:05:40 3 MR. KERSEY: Judge, our objection still
11:05:42 4 stands. It's hearsay.

11:05:43 5 THE COURT: Well, I rectified your objection.

11:05:45 6 MR. KERSEY: No. No, you did. I appreciate
11:05:47 7 it.

11:05:47 8 THE COURT: Yeah, so withdraw it.

11:05:48 9 MR. KERSEY: You listened to me a little bit.

11:05:50 10 THE COURT: All right.

11:05:50 11 MR. KERSEY: All right.

11:05:51 12 THE COURT: Sometimes you got to straighten
11:05:52 13 out these lawyers, you know?

11:05:59 14 MR. BEAN: Mr. Kachner, before I ask you
11:06:00 15 another question, can I just -- the court reporter asked me,
11:06:05 16 sometimes I think when you answer my questions I'm just
11:06:08 17 finishing up my question. Do you mind just waiting a moment
11:06:08 18 to make sure my question is finished before answering.

11:06:11 19 Thank you.

11:06:13 20 BY MR. BEAN:

11:06:14 21 **Q** Now, Mr. Kachner, machines at Skilled Shamrock and
11:06:18 22 Redemption, could -- one of the owners or someone who
11:06:23 23 operated the business, could they set the payout percentage
11:06:30 24 of the machine?

11:06:31 25 **A** The owners can?

11:06:31 1 Q Could the owner, someone who has control of the
11:06:33 2 machine, could they set the payout percentage?
11:06:36 3 A Yeah, if they knew what they were doing.
11:06:37 4 Q And what exactly is the payout percentage?
11:06:41 5 A What the machine pays out to hold.
11:06:45 6 Q All right. And could you change that to make it go up
11:06:48 7 or down?
11:06:48 8 A Yes.
11:06:48 9 Q All right. And would changing it to go up or down
11:06:52 10 impact how much money patrons win?
11:06:59 11 A It's a percent like -- I mean, I don't understand what
11:07:02 12 your question is.
11:07:02 13 Q I mean, by changing the percentage, could you impact
11:07:05 14 the payouts that patrons would win playing these machines?
11:07:11 15 A Yes.
11:07:12 16 Q Okay. Did you have any authority from the State of
11:07:18 17 Ohio or Ohio Casino Control to change the payout
11:07:23 18 percentages?
11:07:26 19 A You set your percentages at what you wanted.
11:07:28 20 Q So was the State of Ohio or Ohio Casino Control
11:07:32 21 involved in any way?
11:07:33 22 A No.
11:07:33 23 Q Did they do any monitoring of the payout percentages?
11:07:37 24 A No, sir.
11:07:40 25 Q Now, earlier you testified about audits, that there

11:07:43 1 were audits done at Skilled Shamrock. And I think you
11:07:47 2 testified that there were done approximately every week.

11:07:50 3 Were there records created during those audits?

11:07:55 4 **A** Ron DiPietro had a computer that he used. Myself, I
11:08:00 5 only used the printout sheets.

11:08:03 6 **Q** Were the printout sheets, are those paper -- were
11:08:06 7 those paper records?

11:08:07 8 **A** There was two different -- like, the employees had a
11:08:11 9 daily or a sheet that they used, as well as when I came in
11:08:15 10 to do my weeklies, you hit a button to print out all the
11:08:21 11 week's information.

11:08:22 12 **Q** And at the end of an audit, what happened to those
11:08:26 13 paper records?

11:08:26 14 **A** Got rid of them.

11:08:30 15 **Q** Now, you mentioned about there being a computer
11:08:35 16 involved in the audits; right?

11:08:36 17 **A** Yes, sir.

11:08:37 18 **Q** Did you ever see the computer?

11:08:38 19 **A** Yes, sir.

11:08:38 20 **Q** And who had the computer during audits?

11:08:42 21 **A** Whoever was in charge of doing it for Mr. DiPietro.

11:08:46 22 MR. BEAN: Can we please pull up Exhibit 413,
11:08:50 23 which the parties have stipulated is called Big Store (1),
11:08:56 24 and that it is from -- recovered from Ron DiPietro's
11:09:00 25 computer at Ron & Associates.

11:09:12 1 413, please.

11:09:32 2 And can you please scroll up so we can see the top?

11:09:35 3 And maybe zoom out a little bit as well so we can try to see
11:09:40 4 all of -- everything at once.

11:09:46 5 Could you zoom out slightly? It's in the bottom
11:09:48 6 right.

11:09:52 7 Thank you.

11:09:53 8 BY MR. BEAN:

11:09:53 9 **Q** Sir, do you recognize this? Just what you're looking
11:09:57 10 at, do you recognize it?

11:09:58 11 **A** This is -- this is off of the laptops.

11:10:03 12 **Q** Is this an audit sheet?

11:10:05 13 **A** This was Mr. DiPietro's audit sheet.

11:10:07 14 **Q** Okay. So, when you were -- said that someone on
11:10:11 15 behalf of Mr. DiPietro was there on a computer, is this what
11:10:15 16 was on the computer during the audits?

11:10:17 17 **A** Correct.

11:10:18 18 MR. FEDOR: Objection.

11:10:18 19 THE COURT: Overruled.

11:10:21 20 THE WITNESS: Correct.

11:10:22 21 BY MR. BEAN:

11:10:23 22 **Q** And let's -- is there dates listed for this audit
11:10:27 23 sheet down at the bottom on the tabs?

11:10:34 24 **A** 6-8 -- 6-18-17.

11:10:39 25 **Q** All right. And was Skilled Shamrock operating in June

11:10:41 1 of 2017?

11:10:43 2 **A** Yes.

11:10:43 3 **Q** All right.

11:10:45 4 MR. BEAN: And Carissa, can you show us the
11:10:47 5 very -- the second tab, please, on this?

11:10:52 6 Yeah. So if you go over to the left with the arrow
11:10:56 7 and double click -- or right click, excuse me. If you right
11:11:00 8 click, you can. . . yeah. And then you can scroll up.

11:11:06 9 And the second one, please.

11:11:12 10 BY MR. BEAN:

11:11:13 11 **Q** And, sir, what's the date on this one?

11:11:16 12 **A** 11-28-09.

11:11:18 13 **Q** All right. And have you reviewed this exhibit before
11:11:21 14 testifying here today?

11:11:23 15 **A** Yes, sir.

11:11:23 16 **Q** And is there an audit spreadsheet for approximately
11:11:29 17 every week between November 2009 and June 2017, including
11:11:37 18 this spreadsheet, approximately ever week?

11:11:41 19 **A** Yes, sir.

11:11:48 20 MR. BEAN: All right. Can we go back to the
11:11:49 21 last one, the June 2017, please?

11:11:58 22 Yeah. Thank you.

11:12:01 23 BY MR. BEAN:

11:12:01 24 **Q** Sir, do you see in the upper left corner of this
11:12:05 25 spreadsheet, what does it say?

11:12:07 1 **A** "Big Store machine number."

11:12:10 2 **Q** In that first -- who is Big Store? I believe you
11:12:14 3 testified this about already, but just to remind the jury?

11:12:16 4 **A** Bill Strathakaros.

11:12:18 5 **Q** And I believe you testified already, but was -- at any
11:12:22 6 point was Bill Strathakaros involved with Skilled Shamrock?

11:12:25 7 **A** He was prior to myself and the other owners.

11:12:29 8 **Q** Now, can you -- can you describe what's in each
11:12:33 9 column, just for the jury, starting with column A, machine
11:12:37 10 number and working your way to the right, please?

11:12:39 11 **A** Column A is -- for some reason's got Big Store with a
11:12:44 12 machine number.

11:12:44 13 And then B is the name of each game that's in the --
11:12:50 14 in the facility.

11:12:52 15 The in-meter is the money in.

11:12:55 16 Multiplier is what each denomination of the in meter
11:13:00 17 equals.

11:13:00 18 The out meter is the money taken out by dollar as
11:13:05 19 well.

11:13:06 20 And then the next, G, is same thing, money in, money
11:13:13 21 out meter, total profit. Total out. Net for the machine.

11:13:16 22 **Q** And is net, is that the revenue from each machine
11:13:18 23 during -- from that week?

11:13:20 24 **A** Yes.

11:13:21 25 **Q** Now, sir, did you input any data into this

11:13:24 1 spreadsheet?

11:13:26 2 **A** No.

11:13:27 3 **Q** All right. Were you shown this spreadsheet during
11:13:31 4 audits at Skilled Shamrock?

11:13:35 5 **A** We cross-referenced numbers, correct.

11:13:38 6 **Q** All right. Now, if -- is there information down at
11:13:40 7 the bottom of this spreadsheet?

11:13:43 8 **A** Yes.

11:13:43 9 **Q** All right. Can we walk through what type of
11:13:48 10 information's down there?

11:13:49 11 So, do you see where it says "POG in"?

11:13:52 12 **A** Correct.

11:13:53 13 **Q** All right. What -- is that a summary of the
11:13:55 14 information from the Pot-O-Golds?

11:13:58 15 **A** Correct.

11:14:00 16 **Q** And are Fruit and Nudge, are those other types of
11:14:03 17 games?

11:14:04 18 **A** Correct.

11:14:04 19 **Q** Machines?

11:14:05 20 All right. And if we see there, across the bottom, do
11:14:09 21 we see calculations for the nets -- the net amounts?

11:14:14 22 **A** Yes.

11:14:16 23 **Q** And are there also expenses reported here?

11:14:22 24 **A** Yes.

11:14:24 25 **Q** And do you see in -- where it says "net check," what

11:14:31 1 figure is there, in column --

11:14:38 2 **A** 14.

11:14:40 3 **Q** Column H, Row 37.

11:14:47 4 **A** 21,901.

11:14:49 5 **Q** All right. And below that, do you see in Column F
11:14:51 6 where it says net expenses?

11:14:53 7 **A** 9,910.

11:14:55 8 **Q** All right. And then 50/50, do you see that?

11:14:59 9 **A** 4,955.

11:15:01 10 **Q** All right. Now, does this spreadsheet show that 4,955
11:15:06 11 was split 33 percent/66 percent?

11:15:12 12 **A** It's just half of -- half of the expenses.

11:15:15 13 **Q** Right. But it does it show that that amount was
11:15:18 14 split?

11:15:21 15 **A** Yes.

11:15:22 16 **Q** And who was it split between?

11:15:25 17 MR. GOLDBERG: Objection.

11:15:25 18 THE COURT: Overruled.

11:15:27 19 THE WITNESS: CK and R.

20 BY MR. BEAN:

11:15:31 21 **Q** And do you know who R is?

11:15:32 22 **A** Ron DiPietro.

11:15:33 23 **Q** And do you know who CK is?

11:15:36 24 **A** Chris Kare.

11:15:37 25 **Q** All right. Now, does it appear that they're splitting

11:15:41 1 50 percent of the profits here?

11:15:44 2 MR. GOLDBERG: Objection. Form.

11:15:45 3 THE COURT: Overruled.

11:15:48 4 THE WITNESS: That's. . . that's the expenses,
11:15:53 5 correct?

11:15:54 6 BY MR. BEAN:

11:15:55 7 Q Sir, does it appear they're splitting 50 percent of
11:15:58 8 the profits?

11:15:58 9 A 33 percent and 66 percent.

11:16:00 10 Q Right. Is -- when you had your splits at Skilled
11:16:05 11 Shamrock, how was it split? Not even looking at the
11:16:08 12 spreadsheet.

11:16:09 13 A Took the money in, money out, subtracted it, then
11:16:12 14 got --

11:16:13 15 Q What were the percentages for the owners? How was it
11:16:15 16 split?

11:16:15 17 A We split it 50/50.

11:16:17 18 Q And can you tell -- 50/50, who's one 50 percent share?

11:16:21 19 A 50 percent myself, Chris, and Larry. The other
11:16:26 20 50 percent was Chris Kare, Ron DiPietro.

11:16:29 21 Q All right. And what happened with Mr. Karasarides'
11:16:33 22 share from the 50 percent involving Mr. DiPietro?

11:16:37 23 MR. FEDOR: Objection.

11:16:38 24 THE COURT: Overruled.

11:16:40 25 THE WITNESS: Went back into the kitty for

11:16:42 1 myself, Larry, and Chris.

11:16:44 2 BY MR. BEAN:

11:16:45 3 Q So, during the audits, did you or the person
11:16:48 4 performing the audit take Mr. Karasarides' share from the
11:16:51 5 share with Mr. DiPietro and combine it with the share for
11:16:54 6 you and Mr. Dayton?

11:16:56 7 A Normally I would split it, and then the person
11:17:01 8 representing Ron DiPietro would give me back 33 percent.

11:17:03 9 Q All right. And the remainder of it, how would you
11:17:06 10 split it amongst yourself, Mr. Karasarides, and Mr. Dayton?

11:17:09 11 A 33 1/3 apiece.

11:17:11 12 Q So, equally; is that right?

11:17:13 13 A Correct.

11:17:15 14 Q Now, does this spreadsheet show that expenses are
11:17:19 15 coming out of Mr. DiPietro's share?

11:17:22 16 A Yes.

11:17:25 17 Q All right.

11:17:27 18 MR. BEAN: Carissa, could we please go to the
11:17:29 19 11-9-14 tab?

11:17:53 20 And if you could just give us the whole. . .

11:18:05 21 Can you make it bigger but scroll up, because right
11:18:07 22 now it's not scrolled up to the top.

11:18:09 23 Can you make it bigger?

11:18:19 24 MS. WELCH: Do you want to show all of it?

11:18:22 25 MR. BEAN: Yes, please.

11:18:23 1 Thank you.

11:18:23 2 BY MR. BEAN:

11:18:24 3 Q Sir, does this spreadsheet appear to operate roughly
11:18:26 4 the same way as the one we just looked at?

11:18:34 5 A Yeah.

11:18:35 6 Q All right. If we look down in the bottom right, is
11:18:39 7 there -- is there a difference in this one and the other
11:18:42 8 one?

11:18:43 9 A No representation of CK or R.

11:18:46 10 Q So the initials aren't there?

11:18:48 11 A Correct.

11:18:50 12 MR. BEAN: Can we go to the next tab,
11:18:52 13 November 16, 2014?

11:18:56 14 All right. Are there -- we're fine, Carissa. Thank
15 you.

16 BY MR. BEAN:

11:18:59 17 Q Are there initials here?

11:19:00 18 A Yes, sir.

11:19:02 19 Q Now, you testified earlier that you've reviewed this
11:19:06 20 exhibit before. For all of the spreadsheets after
11:19:12 21 November 16, 2014 -- I mean that chronologically -- do the
11:19:18 22 initials CK and R appear on the spreadsheet?

11:19:20 23 A Yes, sir.

11:19:25 24 Q Do you know Christopher Karasarides?

11:19:31 25 A Christopher?

11:19:32 1 MR. KERSEY: Objection.

11:19:34 2 THE WITNESS: Yes.

11:19:36 3 Oh --

11:19:37 4 THE COURT: You don't want him to say whether
11:19:39 5 he knows him or not?

11:19:45 6 MR. KERSEY: Judge, he indicated in the
11:19:46 7 beginning when he named people, he didn't name my client,
11:19:49 8 definitely. Now they've shifted asking that question after
11:19:54 9 he's answered it. He first said he had everybody but my
11:19:58 10 client. We don't have any business in this at all. I don't
11:20:01 11 know where that's coming from.

11:20:02 12 THE COURT: Well, we'll find out.

13 BY MR. BEAN:

11:20:05 14 **Q** Do you know Christopher Karasarides?

11:20:07 15 **A** Only because of my kids.

11:20:10 16 **Q** Did Christopher Karasarides have any involvement in
11:20:12 17 Skilled Shamrock?

11:20:14 18 **A** No.

11:20:16 19 **Q** Do you have any reason to believe that CK refers to
11:20:21 20 Christopher Karasarides?

11:20:21 21 **A** No.

11:20:22 22 THE COURT: Now, do you withdraw your
11:20:24 23 objection now?

11:20:25 24 MR. KERSEY: Yes.

11:20:26 25 BY MR. BEAN:

11:20:26 1 Q Do you have any reason to believe that Christopher
11:20:29 2 Karasarides received any of the share of the profits from
11:20:31 3 Skilled Shamrock or Redemption?

11:20:33 4 A Do I believe that he did?

11:20:35 5 Q Do you have any reason to believe that he did?

11:20:39 6 A That Christopher did? I'm sorry.

11:20:42 7 Q Christos's son.

11:20:44 8 A No. He had nothing to do with it.

11:20:46 9 Q All right. As far as you're aware, who received
11:20:48 10 Christos's share?

11:20:51 11 A Chris Kare received his share.

11:20:56 12 MR. BEAN: Carissa, can we please pull up
11:21:01 13 Exhibit 416 which is titled "Big Store" which the parties
11:21:04 14 have stipulated was recovered from a USB drive at Michael
11:21:09 15 Money Penny's residence.

11:21:22 16 BY MR. BEAN:

11:21:23 17 Q What is this?

11:21:25 18 A Another spreadsheet.

11:21:27 19 Q Does this exhibit appear largely identical to the last
11:21:32 20 in form and type of information?

11:21:34 21 A Yes, sir.

11:21:34 22 Q And is this a spreadsheet for -- that was used for the
11:21:38 23 audits at Skilled Shamrock?

11:21:40 24 A From Ron DiPietro's half or party.

11:21:43 25 Q Now, what's the date on this tab?

11:21:47 1 A 12-10-17.

11:21:49 2 Q So, is this a later date than we saw on the last
11:21:53 3 spreadsheet?

11:21:53 4 A Yes, sir.

11:21:53 5 Q And are there tabs here on this spreadsheet for, you
11:21:58 6 know, the period between June 2017 through December 2017?

11:22:05 7 A I only see 9-24-17 to 12-10-17.

11:22:10 8 MR. BEAN: Carissa, could you just click to
11:22:12 9 the left on the tabs just so we can take a look at them all?

11:22:18 10 Thank you.

11:22:20 11 THE WITNESS: Yes.

11:22:27 12 BY MR. BEAN:

11:22:28 13 Q Was Skilled Shamrock -- did Skilled Shamrock operate
11:22:30 14 after December 2017?

11:22:34 15 A Yes.

11:22:35 16 Q When did it close down?

11:22:39 17 A When you raided them.

11:22:40 18 Q Do you recall approximately when that was?

11:22:43 19 A June, July or August -- June or July, I think.

11:22:47 20 Q Of what year?

11:22:48 21 A 2018.

11:22:49 22 Q All right.

11:22:50 23 MR. BEAN: Can we please pull up Exhibit 422,
11:22:53 24 which the parties have stipulated is titled "Big Store MRM"
11:22:57 25 and which the parties have stipulated was recovered from a

11:23:00 1 computer at Michael Money Penny's residence.

11:23:05 2 BY MR. BEAN:

11:23:05 3 **Q** Sir, I'm going to ask you largely the same questions I
11:23:09 4 asked on the last one.

11:23:10 5 What is this?

11:23:11 6 **A** Ron DiPietro's, whoever came in do the audits.

11:23:15 7 **Q** And does this appear to be largely consistent in form
11:23:24 8 and use as the prior audit sheets we've looked at here?

11:23:27 9 **A** Yes.

11:23:27 10 **Q** And can you look down at the date on this one?

11:23:29 11 **A** 1-22-18.

11:23:31 12 **Q** All right. So now is this showing into January of
11:23:33 13 2018?

11:23:33 14 **A** Yes, sir.

11:23:34 15 **Q** All right. Did Christos Karasarides know about the
11:23:42 16 spreadsheets prepared during the audits at Skilled Shamrock?

11:23:45 17 MR. GOLDBERG: Objection.

11:23:46 18 THE COURT: If you know.

11:23:49 19 THE WITNESS: Answer?

11:23:52 20 I mean, to my knowledge he did.

11:23:54 21 MR. GOLDBERG: Objection.

11:23:54 22 THE COURT: Overruled.

11:23:56 23 MR. BEAN: Can we please pull up Exhibit 334,
11:23:59 24 which the parties have stipulated is an e-mail dated
11:24:04 25 March 4th, 2012, that was sent from an e-mail address

11:24:08 1 subscribed to by Tristan DiPietro to an e-mail address

11:24:12 2 subscribed to by Christos Karasarides, Jr.

11:24:16 3 And sir, I'll give you a moment to take a look at
11:24:19 4 that.

11:24:19 5 (Brief pause in proceedings.)

11:24:22 6 BY MR. BEAN:

11:24:22 7 Q Sir, what's the subject line of this e-mail say?

11:24:25 8 MR. GOLDBERG: Objection. Not his -- it's not
11:24:28 9 his e-mail, Judge.

11:24:29 10 THE COURT: Yeah, what are we talking about
11:24:30 11 here?

11:24:31 12 MR. BEAN: The e-mail.

11:24:31 13 THE COURT: What e-mail?

11:24:33 14 MR. BEAN: Isn't there -- there's an exhibit
11:24:34 15 up that's an e-mail.

11:24:36 16 THE COURT: I'm asking you the question
11:24:37 17 though.

11:24:37 18 MR. BEAN: Right. And e-mail from Tristan
11:24:39 19 DiPietro -- an e-mail from an e-mail address subscribed to
11:24:43 20 by Tristan DiPietro to Christos Karasarides.

11:24:50 21 It's co-conspirator hearsay.

11:24:52 22 THE COURT: Overruled.

11:24:53 23 THE WITNESS: Sham.

11:24:54 24 BY MR. BEAN:

11:24:55 25 Q And was -- do you know Sham to stand for anything?

11:24:58 1 A Shamrock.

11:24:59 2 Q Is that Skilled Shamrock?

11:25:01 3 A Yes, sir.

11:25:02 4 Q All right. And is there an -- does there appear to be
11:25:05 5 an attachment to this e-mail?

11:25:09 6 A It says "Big Store X- -- XLSX" maybe.

11:25:17 7 Q And what does Tristan DiPietro write to
11:25:20 8 Mr. Karasarides?

11:25:22 9 A I have no idea.

11:25:23 10 Q Yeah, well, sir, can you just read this?

11:25:26 11 MR. GOLDBERG: Objection.

11:25:26 12 THE COURT: Overruled.

11:25:27 13 THE WITNESS: Oh. "Here is the whole file
11:25:30 14 from open to current date."

11:25:37 15 MR. BEAN: All right. Thank you.

11:25:37 16 Carissa, can we please play Exhibit 348A, which is a
11:25:41 17 phone call between Mr. Christos Karasarides and Michael
11:25:49 18 Money Penny that occurred on August 14th, 2018.

11:25:53 19 MR. GOLDBERG: Can I have the date again?

11:25:55 20 MR. BEAN: August 14th, 2018.

11:25:59 21 MR. GOLDBERG: Thank you.

11:26:14 22 (Brief pause in proceedings.)

11:26:21 23 (Audio played.)

11:28:07 24 BY MR. BEAN:

11:28:08 25 Q Mr. Kachner, do you recognize the voices there?

11:28:10 1 A Yes, sir.

11:28:12 2 Yes, sir.

11:28:13 3 Q I'm not sure the microphone picked up.

11:28:15 4 A Yes, sir.

11:28:17 5 Q Who is speaking there?

11:28:21 6 A Money Penny and Chris Kare.

11:28:22 7 Q All right. And those spreadsheets we looked at that
11:28:26 8 said "Big Store" that you testified were used at the audits
11:28:31 9 of Skilled Shamrock, approximately how many years of records
11:28:33 10 were there?

11:28:35 11 A Nine.

11:28:38 12 MR. BEAN: Carissa, can we please play
11:28:40 13 Exhibit 347A?

11:28:58 14 (Audio played.)

11:29:13 15 MR. BEAN: And the parties have stipulated
11:29:15 16 this is a call between Christos Karasarides and Melissa
11:29:18 17 Bragg that occurred on August 9th, 2018.

11:29:22 18 BY MR. BEAN:

11:29:22 19 Q Do you know an individual named Saris?

11:29:27 20 A Yes.

11:29:27 21 Q Who is he?

11:29:28 22 A Another party that owned the game rooms.

11:29:30 23 Q Did you own a game room with him?

11:29:33 24 A Yes, sir.

11:29:33 25 Q And what was that place called?

11:29:34 1 **A** Cafe 62.

11:29:36 2 MR. BEAN: All right. You can keep playing.

11:29:38 3 Thank you.

11:29:38 4 (Audio played.)

11:30:31 5 MR. BEAN: And can we please play 347B, which
11:30:36 6 is from the same call. It's just later in the call.

11:30:41 7 The date is 8-9-2018.

11:30:52 8 (Audio played.)

11:33:38 9 BY MR. BEAN:

11:33:39 10 **Q** Mr. Kachner, do you know any accountants who are
11:33:41 11 associated with Mr. Karasarides?

11:33:45 12 **A** I only know of the one.

11:33:46 13 **Q** And who is that?

11:33:47 14 **A** Ron DiPietro.

11:33:48 15 **Q** All right. Now, who is Melissa Bragg, do you know?

11:33:52 16 **A** Chris Kare's wife.

11:33:54 17 **Q** Now, did you hear a reference to an individual named
11:33:59 18 Pete on that call?

11:34:02 19 **A** I believe I might have, yeah.

11:34:03 20 **Q** Do you know an individual named Pete who is
11:34:05 21 associated -- who you believe is associated with
11:34:08 22 Mr. Karasarides?

11:34:11 23 **A** A friend of Chris Kare's.

11:34:12 24 **Q** And do you know his last name?

11:34:13 25 **A** I -- I don't, sir.

11:34:16 1 Q Would you recognize him if you saw him?

11:34:18 2 A Yeah.

11:34:19 3 Q Is he here in the courtroom?

11:34:21 4 A Yes.

11:34:22 5 Q Where is he sitting?

11:34:24 6 A Back behind that TV.

11:34:28 7 MR. BEAN: You can take down the transcript.

11:34:30 8 Thank you.

11:34:31 9 BY MR. BEAN:

11:34:31 10 Q Was Skilled Shamrock a cash business?

11:34:37 11 A Yes.

11:34:38 12 Q Were you and the other owners concerned about theft?

11:34:43 13 A You're always concerned about theft when you deal with
11:34:45 14 money.

11:34:46 15 Q What kind of things did you do to combat theft?

11:34:51 16 A To combat theft?

11:34:53 17 Q Um-hmm.

11:34:55 18 A Put a doorman in place.

11:34:59 19 MR. KERSEY: I didn't understand. What did
11:35:00 20 you say?

11:35:01 21 THE WITNESS: Put a doorman in place.

11:35:03 22 BY MR. BEAN:

11:35:04 23 Q Were there still thefts?

11:35:06 24 A Yes. Yes and no.

11:35:10 25 Q And did people try to manipulate the machines?

11:35:13 1 **A** Always.

11:35:14 2 **Q** Were there any notable instances where individuals
11:35:18 3 manipulated the machines?

11:35:20 4 **A** Yeah. There was a machine or two that were far off
11:35:25 5 with numbers, I would -- with the ins and out meters.

11:35:30 6 **Q** And did you ultimately discover that someone was
11:35:33 7 manipulating them?

11:35:33 8 **A** Correct.

11:35:34 9 **Q** Did that ever happen at Redemption?

11:35:38 10 **A** Happened all over the place.

11:35:41 11 **Q** Do you recall any instance where that happened at
11:35:44 12 Redemption involving an individual you believe was
11:35:46 13 associated with Melissa Bragg?

11:35:49 14 **A** Correct.

11:35:50 15 **Q** Can you just describe generally what kind of happened
11:35:53 16 there?

11:35:55 17 **A** Some employee from her store as well as an employee
11:35:58 18 from Redemption were manipulating the game in order for it
11:36:07 19 to go directly into a prize -- not a prize but a jackpot
11:36:15 20 screen.

11:36:17 21 MR. BEAN: Carissa, can you please pull up
11:36:21 22 Exhibit 331? And can we please go down to a text message on
11:36:27 23 May 31st, 2018?

11:36:29 24 And the parties have stipulated that these are
11:36:35 25 authentic text messages between Mr. Kachner and

11:36:38 1 Mr. Karasarides.

11:36:39 2 Keep going, please.

11:36:40 3 Stop right there, please.

11:36:45 4 BY MR. BEAN: Sir --

11:36:46 5 And can you blow up from -- starting from there, down.

11:36:50 6 MS. WELCH: Here?

11:36:51 7 MR. BEAN: Where I made the yellow line.

11:37:00 8 And this is Page 6 of the exhibit.

11:37:04 9 BY MR. BEAN:

11:37:04 10 **Q** Sir, do you see where Mr. Karasarides texts you, "Get

11:37:08 11 your guy to show you how it does it. I will talk to Missy

11:37:12 12 tonight"?

11:37:14 13 **A** Yes.

11:37:14 14 **Q** All right. Is this text exchange regarding the theft

11:37:17 15 you just talked about?

11:37:19 16 **A** Yes.

11:37:20 17 **Q** And do you see the bottom text on May 31st, 2018, from

11:37:26 18 Mr. Karasarides?

11:37:28 19 **A** From what date?

11:37:29 20 **Q** The bottom text on the -- on this blow-up screen from

11:37:34 21 May 31st, 2018.

11:37:35 22 **A** "Meet me at Redemption."

11:37:37 23 **Q** Can you read the rest of it, please?

11:37:39 24 **A** "Meet me at Redemption. Missy is with me."

11:37:43 25 **Q** And why was Mr. Karasarides and his wife, Ms. Bragg,

11:37:49 1 going to Redemption?

11:37:50 2 **A** Because I had called them because their employee was
11:37:53 3 robbing -- was stealing from us.

11:37:54 4 **Q** All right.

11:37:56 5 MR. BEAN: Carissa, can you please play
11:37:58 6 Exhibit 349A, which is a phone call between Mr. Karasarides
11:38:02 7 and Ms. Bragg that the parties have stipulated occurred on
11:38:06 8 August 14th, 2018.

11:38:08 9 (Audio played.)

11:38:51 10 MR. BEAN: Can you pause it quickly?

11:38:54 11 BY MR. BEAN:

11:38:55 12 **Q** Sir, do you know who Thomas is referring to, or do you
11:38:57 13 have any belief who Thomas is referring to there?

11:38:59 14 **A** I have no idea.

11:39:00 15 **Q** Okay.

11:39:00 16 MR. BEAN: Can you keep playing?

11:39:03 17 (Audio played.)

11:39:34 18 MR. BEAN: You can pause it again.

11:39:35 19 BY MR. BEAN:

11:39:35 20 **Q** Sir, does that help you understand who Thomas was?
11:39:38 21 Are they reference --

11:39:39 22 Let me ask you this: Are they referencing you when
11:39:42 23 they say Kake?

11:39:43 24 **A** Correct.

11:39:44 25 **Q** All right.

11:39:45 1 **A** I mean, yeah.

11:39:46 2 **Q** After the --

11:39:47 3 **A** Not spelled right, but yeah.

11:39:48 4 **Q** After the search warrants, did you go and get machines
11:39:51 5 from anybody?

11:39:53 6 **A** Did I get machines from anybody?

11:39:56 7 **Q** Yeah. Did you go collect some machines from anywhere?

11:39:59 8 **A** Yeah. We had to move them out because the feds only
11:40:01 9 took the boards.

11:40:02 10 **Q** Did you have to move them out from Redemption?

11:40:04 11 **A** Correct.

11:40:05 12 **Q** All right. So, do you understand Thomas to be Thomas
11:40:08 13 Helmick --

11:40:10 14 MR. GOLDBERG: Objection.

11:40:10 15 BY MR. BEAN:

11:40:11 16 **Q** -- in that context?

11:40:12 17 THE COURT: Overruled.

11:40:15 18 THE WITNESS: I can't clarify if that's Thomas
11:40:17 19 or not.

11:40:17 20 BY MR. BEAN:

11:40:20 21 **Q** Okay.

11:40:21 22 MR. BEAN: Can we keep playing, please?

11:40:23 23 (Audio played.)

11:41:27 24 BY MR. BEAN:

11:41:28 25 **Q** Mr. Kachner, did Redemption have security cameras?

11:41:31 1 **A** Yes.

11:41:33 2 **Q** Did Ms. Bragg ever come to the store in association
11:41:39 3 with the theft involving the individual she was associated
11:41:42 4 with?

11:41:44 5 **A** Yes. But to clarify, I don't know who Timmy is.
11:41:46 6 That's not who did it.

11:41:47 7 **Q** Who did it?

11:41:48 8 **A** It was -- and I'm not even a hundred percent what her
11:41:52 9 name is, but it could be Carla or whatever, but it was
11:41:56 10 another gentleman that was working at Redemption.

11:42:02 11 **Q** Mr. Kachner, did Mr. DiPietro ever identify a theft by
11:42:07 12 reviewing the audit sheets?

11:42:12 13 **A** At one time through his audits he noticed that one
11:42:15 14 machine was astronomically out of whack, yes.

11:42:20 15 MR. BEAN: Can we please pull up Exhibit 330?
11:42:27 16 And can we please go down to the second to last text? I
11:42:34 17 mean, sorry, on the entire chain. I apologize.

11:42:49 18 And the parties have stipulated these are text
11:42:52 19 messages that are authentic between Mr. Kachner and
11:42:55 20 Mr. Dayton -- not Mr. -- Mr. DiPietro, excuse me, and we are
11:42:58 21 on Page 3 of the exhibit.

11:43:00 22 BY MR. BEAN:

11:43:00 23 **Q** Sir, can you please read this text message from
11:43:03 24 Mr. DiPietro?

11:43:07 25 **A** "I tried calling you yesterday when Mike when Mike was

11:43:11 1 here. I really don't need anyone there if you are going to
11:43:14 2 be the one doing the breakdowns."

11:43:17 3 **Q** Can you pause there.

11:43:18 4 By "breakdowns," is he referring to the audits?

11:43:21 5 **A** Yes.

11:43:21 6 **Q** Okay.

11:43:22 7 **A** Yes.

11:43:23 8 **Q** You can keep going. Thank you.

11:43:25 9 **A** "I have someone there to help us both, and in the past
11:43:29 10 it helped us catch a thief."

11:43:30 11 **Q** And you can pause there.

11:43:32 12 Is he referencing the time where the audit sheets
11:43:35 13 helped him identify that there was theft going on at Skilled
11:43:41 14 Shamrock?

11:43:41 15 **A** I just -- from what it reads, it says "in the past it
11:43:44 16 helped us catch a thief," so. . .

11:43:46 17 **Q** Okay. You can keep reading.

11:43:48 18 **A** "I perceive you as one of the few honest people in the
11:43:53 19 industry, so if you are doing a breakdown and splitting
11:43:57 20 things, I done need -- I done need anyone there."

11:44:01 21 **Q** You can pause there.

11:44:02 22 Sir, is he referring to you?

11:44:05 23 **A** Yes, sir.

11:44:05 24 **Q** Is he calling you one of the few honest people in the
11:44:08 25 industry?

11:44:08 1 **A** Correct.

11:44:11 2 **Q** Thank you.

11:44:13 3 I don't need you to read the rest of the text message.

11:44:16 4 Now, sir, are you here testifying pursuant to a plea
11:44:22 5 and cooperation agreement?

11:44:23 6 **A** Yes, sir.

11:44:24 7 **Q** And were you indicted in this matter?

11:44:28 8 **A** Yes, sir. Yes, sir.

11:44:30 9 **Q** And did you have an attorney?

11:44:34 10 **A** Yes, sir.

11:44:35 11 **Q** Have you -- have you read the indictment that charged
11:44:38 12 you in this case?

11:44:40 13 **A** Yes, sir. Yes.

11:44:42 14 **Q** And does it generally charge you with conduct that is
11:44:45 15 the subject of your testimony here today?

11:44:48 16 **A** Yes, sir.

11:44:52 17 **Q** Did you ultimately plead guilty?

11:44:55 18 **A** Yes.

11:44:56 19 **Q** And did you agree to cooperate?

11:44:58 20 **A** Yes.

11:45:00 21 **Q** Why did you agree to cooperate with the government?

11:45:04 22 **A** Because your evidence is unbelievable.

11:45:09 23 MR. BEAN: Can we please pull up Exhibit 624?

11:45:16 24 And if you could just scroll through the pages for the
11:45:19 25 witness so he can just. . .

11:45:24 1 (Brief pause in proceedings.)

11:45:36 2 MR. BEAN: Thank you.

11:45:37 3 BY MR. BEAN:

11:45:37 4 **Q** Sir, is this your plea agreement in this matter?

11:45:40 5 **A** Yes. Yes.

11:45:43 6 **Q** And is that your signature?

11:45:45 7 **A** Yes.

11:45:46 8 **Q** On -- and is that the signature of your attorney below
11:45:51 9 yours?

11:45:51 10 **A** Yes.

11:45:54 11 **Q** And on what date did you appear to sign this document?

11:45:58 12 **A** 6-27-22.

11:46:02 13 MR. BEAN: And can we please pull up

11:46:05 14 Exhibit 625?

11:46:08 15 And can we scroll through it, please?

11:46:11 16 (Brief pause in proceedings.)

11:46:14 17 BY MR. BEAN:

11:46:15 18 **Q** And we're on Page 5 here.

11:46:16 19 What is this document? Is this your cooperation
11:46:19 20 agreement?

11:46:20 21 **A** Plea Agreement -- Plea Agreement Addendum.

11:46:23 22 **Q** And does this set out some of the terms of your
11:46:25 23 cooperation?

11:46:28 24 **A** I went over it with my lawyer and whatever we
11:46:31 25 discussed that day. I was -- I signed it.

11:46:34 1 Q And does this bear your signature?

11:46:36 2 A Correct.

11:46:37 3 Q Your attorney's signature?

11:46:38 4 A Correct.

11:46:38 5 Q Same date as the last one?

11:46:40 6 A Yes, sir.

11:46:41 7 Q All right. Did you appear before the judge sitting in

11:46:46 8 this case, Judge Nugent, and plead guilty pursuant to the

11:46:49 9 terms of this plea and cooperation agreement?

11:46:51 10 A I did.

11:46:53 11 Q Did you review these two documents, these two

11:46:57 12 exhibits, with your attorney before signing them?

11:47:00 13 A Yes, sir.

11:47:02 14 Q I think the mic might have not picked it up.

11:47:05 15 A Yes, sir.

11:47:06 16 Q Did you discuss these documents with your attorney

11:47:09 17 before signing them?

11:47:11 18 A He did all the proper steps to advise me for the

11:47:13 19 proper thing I needed to do.

11:47:15 20 MR. BEAN: Can we please go to the plea

11:47:17 21 agreement, Exhibit 624. And can we go to Page 2, please.

11:47:26 22 BY MR. BEAN:

11:47:27 23 Q I'd like to direct your attention to Paragraph 2 of

11:47:29 24 this agreement.

11:47:30 25 What did you plead guilty to?

11:47:37 1 **A** Two counts of conspiracy to defraud the United States
11:47:40 2 government and five counts of conspiracy to defraud the
11:47:46 3 United States.

11:47:47 4 **Q** Sir, do you understand that that's the number of the
11:47:49 5 counts or the count number of the -- in the indictment?

11:47:52 6 **A** Correct.

11:47:53 7 **Q** Which one is it? Because you just said "correct," and
11:47:57 8 it was an either/or.

11:47:59 9 **A** What is your question?

11:48:00 10 **Q** Did you plead guilty to more than two counts, or are
11:48:04 11 those counts -- are those just the count number in the
11:48:06 12 indictment?

11:48:06 13 **A** The count number -- I believe those are the count
11:48:08 14 numbers for the indictment that I was charged with.

11:48:10 15 **Q** And how many counts did you actually plead guilty to?

11:48:14 16 **A** Two.

11:48:18 17 **Q** Do you understand that per the terms of this plea
11:48:20 18 agreement, that you can be sentenced to a maximum of
11:48:23 19 10 years' imprisonment, 5 years for each count?

11:48:26 20 **A** Yes.

11:48:28 21 **Q** And --

11:48:28 22 **A** Yes.

11:48:29 23 **Q** And do you understand that you can be fined up to
11:48:32 24 \$250,000 for each count?

11:48:33 25 **A** Yes. Yes.

11:48:36 1 Q And be sentenced to a period of supervised release?

11:48:39 2 A Yes. Yes.

11:48:42 3 Q I'd like to direct your attention to Paragraph 4,
11:48:49 4 which begins on the same page, Page 2.

11:48:54 5 Sir, did you agree to withdraw a claim you had filed
11:48:58 6 civilly against approximately \$241,000 that had been seized
11:49:02 7 by the government?

11:49:05 8 A Did I -- are you saying did I fill out paperwork to
11:49:09 9 get it back?

11:49:09 10 Q Well, did you agree to waive any claim you had to that
11:49:13 11 money as part of the plea agreement?

11:49:17 12 A I believe I did down the road, yes.

11:49:19 13 Q And the \$241,000, or there so abouts, what happened
11:49:25 14 with that money? How did the government come to get it?

11:49:29 15 A They seized it from a YMCA.

11:49:32 16 Q And in that claim -- were you represented by an
11:49:36 17 attorney?

11:49:39 18 A Yes.

11:49:41 19 Q Did you -- did that attorney file the claim on your
11:49:44 20 behalf?

11:49:45 21 A Correct.

11:49:46 22 Q Did you have knowledge of what he filed in that claim?

11:49:50 23 A No. I told him I'll give him 20 percent of anything
11:49:53 24 he gets back.

11:49:54 25 Q So he had an interest in getting part -- any money

11:49:57 1 back that he recovered?

11:49:57 2 **A** Correct.

11:49:59 3 **Q** So, is that a different attorney than you've been
11:50:04 4 represented throughout this plea agreement and cooperation
11:50:06 5 agreement?

11:50:07 6 **A** Yes, sir.

11:50:10 7 **Q** As far as you're aware, were false statements made in
11:50:13 8 that claim for the money that was submitted?

11:50:15 9 **A** I have no idea. All I did was sign the paperwork. I
11:50:19 10 didn't really read the stuff.

11:50:19 11 **Q** So, is it fair to say you don't know the contents of
11:50:22 12 what was put in that claim?

11:50:23 13 **A** No, sir. Again, I just -- I believe that I thought my
11:50:25 14 lawyer was representing me the proper way.

11:50:29 15 **Q** I'd like to direct your attention to Paragraph 9,
11:50:33 16 which is on Page 3.

11:50:36 17 If we could blow that up.

11:50:41 18 In exchange for your plea of guilty, did the
11:50:44 19 government agree to dismiss charges against you?

11:50:49 20 **A** Yes.

11:50:50 21 **Q** And are -- were those additional charges brought in
11:50:54 22 relation to the conduct you're testifying about here today?

11:51:00 23 **A** Again, please?

11:51:01 24 **Q** And were those charges related to the conduct about
11:51:04 25 which is the subject of your testimony today, involving tax

11:51:08 1 returns for yourself? You were charged with false tax
11:51:10 2 returns, operating illegal gambling businesses, operating --
11:51:14 3 and a conspiracy to operate illegal gambling businesses?
11:51:17 4 **A** Correct.
11:51:18 5 **Q** I'd like to direct your attention to Paragraph 15,
11:51:22 6 please, which is on Page 5.
11:51:33 7 Is there a manual that provides how sentencing
11:51:38 8 guidelines are calculated?
11:51:42 9 **A** Yes.
11:51:43 10 **Q** And is it your understanding that at sentencing, one
11:51:46 11 of the factors the judge considers is the sentencing
11:51:50 12 guidelines?
11:51:50 13 **A** Correct.
11:51:52 14 **Q** As part of your plea agreement, did you, through your
11:51:58 15 attorney, come to an agreement with the government on the
11:52:00 16 calculation of your guidelines at sentencing?
11:52:03 17 **A** Yes.
11:52:04 18 **Q** So, you agree with the government that the tax loss
11:52:07 19 for the conspiracies you were involved in fell between half
11:52:11 20 a million dollars and \$1.5 million?
11:52:14 21 **A** Correct.
11:52:15 22 **Q** And did you agree with the government that those --
11:52:17 23 the proceeds there were from an illegal source?
11:52:20 24 **A** Correct.
11:52:21 25 **Q** And in this case, specifically, was that from the

11:52:24 1 gambling businesses?

11:52:24 2 **A** Yes.

11:52:25 3 **Q** And did you agree with the government that you were a
11:52:27 4 manager or a supervisor of that activity?

11:52:31 5 **A** Yes.

11:52:32 6 **Q** And then did you agree with the government that by
11:52:35 7 coming in and pleading guilty, that you would get an
11:52:38 8 adjustment downward of 3 points for acceptance of
11:52:41 9 responsibility?

11:52:41 10 **A** Correct, um-hmm. Correct.

11:52:44 11 **Q** Is it your understanding that the government may have
11:52:48 12 argued for a higher guidelines calculation if you had
11:52:51 13 proceeded to trial?

11:52:54 14 **A** Yes.

11:52:56 15 MR. BEAN: Can we please go to Paragraph 20?

11:53:03 16 And this is on Page 7, begins on Page 7.

11:53:06 17 BY MR. BEAN:

11:53:06 18 **Q** Did you and the government agree to a statement of
11:53:09 19 facts and relevant conduct in this plea agreement?

11:53:13 20 **A** What do you mean?

11:53:14 21 **Q** Is there a statement of facts in this plea agreement,
11:53:17 22 generally laying out the -- your conduct and the conduct
11:53:20 23 you're testifying about here today?

11:53:21 24 **A** It says at the top "Factual Basis and Relevant
11:53:24 25 Conduct."

11:53:26 1 Q Do those statement of facts reference your wife?

11:53:32 2 THE WITNESS: Can you move the document to the
11:53:33 3 left, please?

11:53:39 4 Thank you.

11:53:42 5 BY MR. BEAN:

11:53:42 6 Q And there are more pages of this if you need to take a
11:53:45 7 look.

11:53:45 8 A I'm just trying to find my wife's name real quick.

11:53:49 9 MR. BEAN: Carissa, it's --

11:53:51 10 THE WITNESS: I don't believe I see my wife's
11:53:52 11 name on this paperwork, sir.

11:53:53 12 MR. BEAN: Can we keep going?

11:53:57 13 Can we keep going?

11:54:01 14 Can we keep going?

11:54:02 15 All right. There. Can you blow up the middle?

11:54:07 16 Thanks.

11:54:07 17 THE WITNESS: Yes. Column X.

11:54:09 18 BY MR. BEAN:

11:54:09 19 Q Is Rebecca Kachner your wife?

11:54:12 20 A Yes.

11:54:12 21 Q Did she plead guilty to a conspiracy to defraud the
11:54:15 22 United States in relation to the conduct you're describing
11:54:17 23 today?

11:54:19 24 A Yes.

11:54:20 25 Q All right.

11:54:22 1 MR. BEAN: Can we zoom -- can we go to

11:54:24 2 paragraph Y, please, and blow that up?

3 BY MR. BEAN:

11:54:31 4 Q Can you please read this paragraph?

11:54:34 5 A In or around January 19, Jason Kachner and others

11:54:39 6 opened, owned, and operated other IGB known as Skillz 777

11:54:45 7 located at 2128 Columbus Road, Northeast, Canton, Ohio, and

11:54:51 8 Got Skillz located at 1400 Whipple Avenue, Northwest,

11:54:55 9 Canton, Ohio. These two IGBs closed around April 17th,

11:55:02 10 '19."

11:55:04 11 Q So are Skilled Shamrock and Redemption the only

11:55:10 12 gambling businesses you were involved in?

11:55:12 13 A No.

11:55:12 14 Q Can you tell us about the other businesses you were

11:55:14 15 involved in, gambling businesses?

11:55:15 16 A I had the one in Massillon that I got raided for and

11:55:19 17 charged with.

11:55:20 18 Q That was with whom? Who were the other co-owners?

11:55:23 19 A Larry Dayton and Chris and myself.

11:55:26 20 Q And it sounded like there were more.

11:55:28 21 A Cafe 62 with Steve Saris.

11:55:31 22 Q And where was Cafe 62 located? Just the town is fine.

11:55:38 23 A Right off -- oh, Stark County.

11:55:40 24 Q And are there -- and what about Got Skillz and Skillz

11:55:45 25 777 referenced here?

11:55:46 1 **A** Those were opened after the raids took place in '18.

11:55:51 2 **Q** And did you have any others?

11:55:54 3 **A** I had one for a couple months with a buddy in
11:55:57 4 Austintown.

11:55:59 5 **Q** How about any in Perry Township?

11:56:03 6 **A** Yes, sir.

11:56:03 7 **Q** And what was in Perry Township?

11:56:05 8 **A** I don't remember the name of it. I don't even know if
11:56:08 9 we really had a name for it to be honest. But it was a game
11:56:11 10 room.

11:56:12 11 **Q** Were you ever approached by anybody to open any
11:56:15 12 additional game rooms other than the ones you did open?

11:56:26 13 **A** After I opened my first one, I went about opening them
11:56:38 14 myself. Well, not myself but with other owners, with other
11:56:38 15 people.

11:56:39 16 MR. BEAN: Can we please go to Paragraph 22?

17 BY MR. BEAN:

11:56:43 18 **Q** Did you agree to pay restitution to the IRS?

11:56:45 19 **A** Yeah.

11:56:46 20 **Q** In what amount?

11:56:50 21 **A** 1.393024.

11:56:57 22 **Q** Now, is it your understanding that you will be solely
11:56:59 23 responsible for this almost \$1.4 million in restitution?

11:57:03 24 **A** No, sir.

11:57:04 25 **Q** Can you explain, who else might be responsible?

11:57:06 1 MR. GOLDBERG: Objection.

11:57:06 2 THE COURT: Overruled.

11:57:08 3 THE WITNESS: The parties that are involved in
11:57:10 4 the case.

11:57:15 5 BY MR. BEAN:

11:57:16 6 **Q** And is it your understanding that regardless of the
11:57:18 7 outcome in this trial, that the IRS could still attempt to
11:57:21 8 hold them responsible for that money civilly?

11:57:24 9 **A** Yes, sir.

11:57:27 10 MR. BEAN: All right. Can we please go to
11:57:30 11 Paragraph 37?

11:57:38 12 Can you please blow that up.

11:57:41 13 BY MR. BEAN:

11:57:41 14 **Q** Can you please read that?

11:57:44 15 **A** "Consequences of Breaching of Plea Agreement.

11:57:49 16 "Defendant understands that if defendant breaches any
11:57:52 17 promise in this agreement, commits additional crimes,
11:57:56 18 obstructs justice, attempts to withdraw defendant's guilty
11:58:00 19 plea, or if defendant's guilty plea is rejected by the Court
11:58:13 20 or is vacated or set aside, the government will be released
11:58:17 21 from all of its obligations under this agreement and may
11:58:21 22 institute or maintain any charges and make any
11:58:24 23 recommendations with respect to the sentencing that
11:58:28 24 otherwise would be prohibited under the terms of this
11:58:30 25 agreement.

11:58:32 1 "Defendant understands, however, that a breach of the
11:58:35 2 agreement by defendant will not entitle defendant to
11:58:40 3 withdraw, vacate, set aside defendant's guilty plea or
11:58:43 4 conviction."

11:58:44 5 MR. BEAN: Can we please pull up Exhibit 625,
11:58:47 6 and Page 1 will be perfect.

11:58:50 7 Thank you.

11:58:52 8 BY MR. BEAN:

11:58:53 9 Q Can you please read the first two sentences of this
11:58:54 10 document?

11:58:59 11 A "Defendant agrees to cooperate fully with the United
11:59:05 12 States of America on any state or local -- or -- with the
11:59:11 13 United States of America and any state or local authorities
11:59:15 14 in investigations and prosecutions as requested by the USAO
11:59:19 15 or the Department of Justice Tax Division (together - the
11:59:25 16 government). Such cooperation shall include providing
11:59:28 17 complete and truthful information, attending all interviews
11:59:31 18 and debriefings, testifying truthfully before the Grand
11:59:37 19 Jury, and all court proceedings and requested -- and all
11:59:42 20 court proceedings as requested, providing all documents and
11:59:46 21 records which may be requested, and providing other forms of
11:59:49 22 cooperation as requested by government agents and
11:59:53 23 prosecutors."

11:59:54 24 Q Thank you, sir.

11:59:55 25 Do you understand that the agreement you struck with

11:59:58 1 the government requires you to be truthful?

12:00:00 2 **A** Yes. Yes.

12:00:03 3 **Q** Do you understand that if you are not truthful, the
12:00:05 4 government is not bound by the terms of the plea agreement?

12:00:09 5 **A** Yes.

12:00:10 6 **Q** Do you understand that if you are not truthful, the
12:00:12 7 government will not be required to dismiss the charges
12:00:14 8 against you?

12:00:18 9 **A** One more time, sir.

12:00:19 10 **Q** Do you understand that if you are not truthful with
12:00:22 11 the government in your testimony and when you've met with
12:00:25 12 the government, that the government will not be then
12:00:28 13 required to dismiss the charges against you?

12:00:30 14 **A** Correct.

12:00:32 15 **Q** Do you understand that the government will not be
12:00:34 16 bound by the sentencing guidelines calculation agreed to in
12:00:37 17 the plea agreement either?

12:00:38 18 **A** Correct.

12:00:41 19 **Q** But that in that instance, you would still be bound to
12:00:43 20 your plea -- to your guilty plea, but you would not be able
12:00:46 21 to withdraw that plea?

12:00:47 22 **A** Correct.

12:00:49 23 **Q** Do you understand that you could face additional
12:00:51 24 charges if you are not truthful?

12:00:53 25 **A** Yes.

12:00:55 1 Q Have you met with me prior to today?

12:00:57 2 A Yes. Yes. Yes.

12:01:01 3 Q Have you met with federal agents a number of times,
12:01:05 4 let's say at least six, prior to today?

12:01:07 5 A Correct.

12:01:14 6 MR. BEAN: Can we please go to Paragraph 3?

7 BY MR. BEAN:

12:01:21 8 Q Can you please read the first two sentences?

12:01:23 9 A "If the government determines that the defendant has
12:01:28 10 fully cooperated and has rendered substantial assistance in
12:01:33 11 the investigation or prosecution of other persons, the
12:01:36 12 government, in consideration for such substantial
12:01:41 13 assistance, may move the Court for a substantial assistance
12:01:44 14 reduction pursuant to USSG § 5K1.1. More specifically, the
12:01:53 15 government may move for a downward departure of up to four
12:01:58 16 levels."

12:02:00 17 Q Thank you.

12:02:01 18 By testifying today, is it your hope that the
12:02:03 19 government will file a motion recommending to the Court that
12:02:07 20 your guidelines calculation be lowered by up to 4 points?

12:02:10 21 A Yes.

12:02:12 22 Q Has the government made any promises to you about
12:02:15 23 filing such a motion?

12:02:18 24 A I believe that's up to Judge Nugent.

12:02:20 25 Q Has the government promised that we will file a motion

12:02:25 1 recommending a downward departure?

12:02:26 2 **A** Yes.

12:02:27 3 **Q** We've promised or --

12:02:28 4 **A** Oh, promised, no.

12:02:29 5 **Q** Okay. Is it your understanding that the Court is not
12:02:32 6 bound to follow such a recommendation?

12:02:37 7 **A** From my understanding, it's up to Mr. -- Mr. Judge
12:02:41 8 Nugent's discretion of what I get.

12:02:43 9 **Q** Is the outcome of this trial relevant to your
12:02:46 10 sentencing?

12:02:47 11 **A** No, sir.

12:02:49 12 **Q** Is it your job to get a conviction?

12:02:51 13 **A** No, sir.

12:02:54 14 **Q** Did you --

12:02:55 15 MR. BEAN: We can take down the exhibit.

12:02:56 16 Thank you.

17 BY MR. BEAN:

12:02:59 18 **Q** Did you, in preparation for this trial, review quite a
12:03:02 19 number of documents?

12:03:04 20 **A** Yes.

12:03:05 21 **Q** And as part of your cooperation agreement and as part
12:03:08 22 of your plea agreement, spend a lot of hours reviewing those
12:03:12 23 records, both with the government and not with the
12:03:15 24 government, on your own?

12:03:16 25 **A** Lots.

12:03:17 1 Q Hours? Multiple days?

12:03:20 2 A Hours.

12:03:24 3 Q Did you review summaries that were prepared of the
12:03:28 4 audit sheets for Skilled Shamrock and adopt them?

12:03:31 5 A Yes.

12:03:32 6 MR. BEAN: Can we please pull up Exhibit 436?

12:03:35 7 THE COURT: Mr. Bean, how much longer do you
12:03:36 8 have with this witness?

12:03:39 9 MR. BEAN: It's the -- a number of time.

12:03:41 10 THE COURT: Okay.

12:03:42 11 We'll recess for lunch then, folks. It's about 5
12:03:45 12 after 12:00. 1:20 on L1 you can call -- or be there. We'll
12:03:50 13 call for you.

12:03:50 14 Keep in mind the admonition. Refresh yourself, and
12:03:55 15 we'll see you 1:20 on where, Morgan?

12:03:59 16 A JUROR: L1.

12:04:00 17 THE COURT: L1.

12:04:00 18 COURTROOM DEPUTY: All rise.

12:04:02 19 (Jury excused from courtroom at 12:04 p.m.)

12:04:33 20 COURTROOM DEPUTY: Court is in recess.

12:04:36 21 (Recess was taken at 12:04 p.m.)

01:27:35 22 COURTROOM DEPUTY: All rise for the jury.

01:28:00 23 (Jury returned to courtroom at 1:27 p.m.)

01:28:00 24 COURTROOM DEPUTY: Court is in session.

01:28:01 25 Please be seated.

01:28:01 1 THE COURT: Good afternoon, ladies and
01:28:05 2 gentlemen of the Jury.

01:28:05 3 THE JURY: Good afternoon, Judge.

01:28:07 4 THE COURT: Mr. Fedor, I --

01:28:08 5 You're not finished yet, right?

01:28:10 6 MR. BEAN: Not finished.

01:28:11 7 THE COURT: Okay. Go ahead, Mr. Bean.

01:28:12 8 MR. BEAN: Thank you.

01:28:17 9 BY MR. BEAN:

01:28:18 10 **Q** Mr. Kachner, I'm going to pick up with a couple
01:28:20 11 questions I asked right before we took our break just so we
01:28:24 12 can transition into it.

01:28:25 13 Did you spend some time, prior to trial, and at the
01:28:29 14 government's request, reviewing the Big Store spreadsheets
01:28:34 15 and comparing them with a summary of those?

01:28:39 16 **A** Yes, sir.

01:28:40 17 **Q** And did you review that so that you could adopt the
01:28:43 18 summary?

01:28:44 19 **A** Yes, sir.

01:28:46 20 MR. BEAN: Can we please pull up Exhibit 436?

01:29:07 21 There are more tabs, so if you could go to the. . . so
01:29:10 22 all the tabs can show.

01:29:13 23 And could you go to one of the tabs, please?

01:29:19 24 Thank you.

01:29:20 25 BY MR. BEAN:

01:29:21 1 Q Sir, is this the summary exhibit that you reviewed
01:29:23 2 with the Big Store spreadsheets and are adopting?

01:29:27 3 MR. GOLDBERG: Objection.

01:29:27 4 THE COURT: Overruled.

01:29:32 5 THE WITNESS: Yes, sir.

01:29:35 6 BY MR. BEAN:

01:29:36 7 Q And what Big Store spreadsheets were used? Was it
01:29:42 8 exhibits we looked at today with you during your testimony?

01:29:45 9 A Yes.

01:29:45 10 Q And are those listed in column K where it says "source
01:29:50 11 spreadsheet"?

01:29:52 12 A Correct.

01:29:55 13 Q Have you cross-referenced those exhibits with the
01:29:58 14 information in this summary?

01:30:00 15 A Yes.

01:30:03 16 Q Can you just explain to the jury, what data is
01:30:06 17 summarized here?

01:30:13 18 And can you lean in a little bit to the mic? Thank
01:30:16 19 you.

01:30:18 20 A This thing stinks.

01:30:19 21 It's the total -- it says right at the top, it's the
01:30:22 22 total out, the net, the percentage of it, the expenses, the
01:30:26 23 amount to split, the split 1, split 2, for the store.

01:30:30 24 MR. BEAN: Carissa, can you -- there's a
01:30:31 25 column -- a couple columns that aren't shown. Could you go

01:30:34 1 to the. . .

01:30:36 2 BY MR. BEAN:

01:30:37 3 **Q** And does it show that for each week?

01:30:40 4 **A** From what I can see it's 1-2-12, and at the bottom it
01:30:48 5 says 2018 is the last one.

01:30:51 6 **Q** And, so, did you review each of the tabs down there,
01:30:55 7 2012, 2013, 2014 through 2018, the information thereon?

01:31:04 8 **A** Yes, sir.

01:31:04 9 **Q** And does this exhibit fairly and accurately summarize
01:31:07 10 the audit spreadsheet from Skilled Shamrock as well as your
01:31:10 11 testimony regarding the personal split of the profits?

01:31:14 12 **A** Yes.

01:31:17 13 **Q** How many -- those spreadsheets, the Big Store
01:31:20 14 spreadsheets we looked at earlier, now, approximately how
01:31:22 15 many tabs are in those spreadsheets? I mean, is there
01:31:30 16 approximately one for every week?

01:31:31 17 **A** Yes.

01:31:31 18 **Q** All right. And I think earlier you testified that it
01:31:34 19 was approximately 9 years worth of spreadsheets; right?

01:31:39 20 **A** I've been showed 9 years, but again, I didn't take
01:31:43 21 over ownership until 2000, I think it was '10 or '11.

01:31:47 22 **Q** But I'm just talking about in the document, in the
01:31:49 23 exhibit we looked at, it was approximately --

01:31:51 24 **A** Yes, in the exhibit there was.

01:31:52 25 **Q** So, if you multiply 9 by, let's say, 52 --

01:31:57 1 approximately 52 weeks, is that about 450 tabs of entries,
01:32:03 2 450-something spreadsheets?

01:32:08 3 **A** Yes.

01:32:13 4 MR. BEAN: Can we click on the tab for 2015,
01:32:15 5 please?

01:32:22 6 BY MR. BEAN:

01:32:22 7 **Q** Now, can you -- can you please -- I think you talked
01:32:32 8 about this. Can you please tell the jury a little bit, what
01:32:36 9 column is the expenses? What's -- I mean, or excuse me.
01:32:40 10 Let me start with the net.

01:32:41 11 What's reported in the net?

01:32:43 12 **A** D.

01:32:44 13 **Q** And is that the information from the spreadsheet taken
01:32:46 14 directly, the net amount on that spreadsheet? On each --
01:32:51 15 you know, for each week.

01:32:52 16 **A** This was Ron DiPietro's computers for his employee.

01:32:56 17 **Q** All right. And was the amount on each spreadsheet
01:32:59 18 copied on so the net on each of those spreadsheets for each
01:33:03 19 week copied onto this summary?

01:33:05 20 **A** To my knowledge, yes.

01:33:07 21 **Q** And the expenses as well?

01:33:09 22 **A** Yes.

01:33:10 23 **Q** And, so -- and the CK 33.33 percent split number, was
01:33:16 24 that as well?

01:33:18 25 **A** Yes. Yes.

01:33:19 1 Q The R 66.66 percent split number?

01:33:25 2 A Yes.

01:33:26 3 Q All right.

01:33:27 4 MR. BEAN: And could we scroll down just to
01:33:30 5 the bottom?

01:33:31 6 BY MR. BEAN:

01:33:32 7 Q Are there totals?

01:33:34 8 A Correct.

01:33:35 9 Q And do those totals, do they sum up the numbers above
01:33:39 10 it?

01:33:40 11 A To my knowledge.

01:33:41 12 MR. GOLDBERG: Objection.

01:33:43 13 THE COURT: Did you finish the question?

01:33:46 14 Would you say it again.

01:33:48 15 BY MR. BEAN:

01:33:48 16 Q Do those totals sum the numbers above it?

01:33:55 17 THE COURT: I still didn't understand you.

01:33:57 18 MR. BEAN: I'm asking if the totals listed on
01:33:59 19 the spreadsheets sum the numbers in that column in the
01:34:01 20 spreadsheet.

01:34:02 21 THE COURT: Sums the numbers?

01:34:03 22 MR. BEAN: Sum, s-u-m.

01:34:04 23 THE COURT: S-u-m-s?

01:34:06 24 MR. BEAN: Yes.

01:34:06 25 THE COURT: Overruled.

01:34:09 1 BY MR. BEAN:

01:34:09 2 **Q** You can answer, sir.

01:34:10 3 **A** I mean, without having a calculator and adding them
01:34:14 4 up, then yeah.

01:34:14 5 MR. GOLDBERG: Objection.

01:34:15 6 MR. BEAN: Carissa, can you please --

01:34:17 7 THE COURT: Overruled.

01:34:18 8 Again, anybody can do the math if they look at it.

01:34:21 9 MR. BEAN: Can you please click on cell I54?

01:34:29 10 I -- specifically on I54.

01:34:35 11 BY MR. BEAN:

01:34:36 12 **Q** Sir, do you see up at the top where it says
01:34:42 13 =SUM(I2:I53)? Up at the top of the spreadsheet?

01:34:47 14 **A** Yes.

01:34:48 15 **Q** Okay. Thank you.

01:34:52 16 Do you agree that according to the spreadsheets, that
01:34:56 17 at least the spreadsheets report that in 2015,
01:34:59 18 Mr. Karasarides' cut from Skilled Shamrock was a little over
01:35:02 19 \$158,000?

01:35:03 20 MR. GOLDBERG: Objection.

01:35:03 21 THE COURT: Overruled.

01:35:05 22 THE WITNESS: Correct.

01:35:06 23 BY MR. BEAN:

01:35:07 24 **Q** And that according to the spreadsheet, Mr. DiPietro's
01:35:09 25 cut from Skilled Shamrock in 2015 was \$316,000?

01:35:14 1 MR. FEDOR: Objection.

01:35:14 2 THE COURT: Overruled.

01:35:15 3 THE WITNESS: Correct.

01:35:16 4 BY MR. BEAN:

01:35:16 5 Q All right. And if we were to click on each tab for
01:35:19 6 each of the year -- years, would we see similar additions
01:35:24 7 and figures for those years?

01:35:27 8 A Yes.

01:35:28 9 Q All right.

01:35:29 10 MR. BEAN: Carissa, can we click on the tab
01:35:32 11 that says "summary by year"?

01:35:36 12 BY MR. BEAN:

01:35:37 13 Q Does this tab summarize -- reprint the totals from
01:35:41 14 each of the tabs for 2012, 2013, '14, '15, '16, '17, and
01:35:46 15 '18?

01:35:47 16 A Correct.

01:35:48 17 Q And so, according to the spreadsheets, from 2012 to
01:35:54 18 2018, did Mr. Karasarides receive a little more than
01:35:59 19 \$725,000 from Skilled Shamrock?

01:36:02 20 MR. GOLDBERG: Objection.

01:36:02 21 THE COURT: Overruled.

01:36:09 22 THE WITNESS: I mean, no, I can't answer
01:36:11 23 that --

01:36:12 24 BY MR. BEAN:

01:36:12 25 Q According to the spreadsheet. I'm just asking --

01:36:13 1 **A** According to the spreadsheet, yes.

01:36:15 2 MR. GOLDBERG: Objection.

01:36:15 3 THE COURT: Overruled.

01:36:16 4 BY MR. BEAN:

01:36:16 5 **Q** And according to the spreadsheet, did Mr. DiPietro
01:36:19 6 receive more than \$1.4 million from Skilled Shamrock from
01:36:25 7 2012 through 2018?

01:36:27 8 MR. FEDOR: Objection.

01:36:27 9 THE COURT: Overruled.

01:36:28 10 THE WITNESS: Yes.

01:36:31 11 BY MR. BEAN:

01:36:32 12 **Q** How did Mr. Karasarides get his money?

01:36:37 13 MR. GOLDBERG: Objection.

01:36:38 14 THE COURT: Overruled.

01:36:41 15 THE WITNESS: Explain better.

01:36:42 16 BY MR. BEAN:

01:36:42 17 **Q** Well, it's a cash business; right? That was your
01:36:45 18 testimony?

01:36:45 19 **A** Correct.

01:36:46 20 **Q** And he received a cut of the profits; right?

01:36:48 21 **A** Correct.

01:36:49 22 **Q** How did he get the money?

01:36:51 23 **A** In cash.

01:36:53 24 **Q** Physically, was it handed to him? Did he come pick it
01:36:59 25 up? Like. . .

01:37:00 1 **A** Depended on the time or the day.

01:37:02 2 **Q** Can you give us some examples of how he received his
01:37:05 3 money?

01:37:05 4 **A** He would either pick it up or have someone drop it off
01:37:08 5 or meet someone or however it went down for that week.

01:37:11 6 **Q** Did he ever come to Redemption or Skilled Shamrock to
01:37:14 7 come get it?

01:37:15 8 **A** Sure.

01:37:20 9 **Q** Did Mr. Karasarides also get profits from Redemption?

01:37:24 10 **A** Did Mr. Karasarides?

01:37:26 11 **Q** Yes.

01:37:26 12 **A** Yes. Yes.

01:37:29 13 **Q** Where -- what town was Redemption located in?

01:37:34 14 **A** Whipple -- or town. Canton, Ohio.

01:37:37 15 **Q** And it sounded like you were about to say what street
01:37:39 16 it was on specifically; is that right?

01:37:41 17 **A** Whipple.

01:37:47 18 **Q** When you became involved with Redemption, who were the
01:37:50 19 owners at that time?

01:37:53 20 **A** Myself -- the owners were --

01:37:56 21 **Q** When you first became involved.

01:37:57 22 **A** Myself and Larry Dayton.

01:37:59 23 **Q** And who else?

01:38:01 24 **A** Chris Kare and Ron DiPietro were the machine people.

01:38:08 25 **Q** Did they provide the machines?

01:38:09 1 **A** Correct.

01:38:11 2 **Q** At that time, did they get a cut of the profits?

01:38:13 3 **A** Correct.

01:38:17 4 **Q** And I think that you testified at some point
01:38:19 5 Mr. DiPietro was removed from the business; is that right?

01:38:21 6 **A** Yes.

01:38:22 7 **Q** And what happened to machines -- any machines that he
01:38:25 8 had there?

01:38:27 9 **A** He had someone come pick them up.

01:38:30 10 **Q** And did Redemption get new machines?

01:38:33 11 **A** Correct. Yes.

01:38:34 12 **Q** Where did they come from?

01:38:35 13 **A** Somewhere down south.

01:38:37 14 **Q** Were you involved in getting them or paying for them?

01:38:41 15 **A** The purchase of them, yes. Picking them up, no.

01:38:48 16 MR. BEAN: Can we please pull up Exhibit 438?

01:38:54 17 BY MR. BEAN:

01:38:54 18 **Q** Sir, what are we looking at here?

01:38:57 19 **A** Front door of Redemption.

01:39:02 20 MR. BEAN: And can we please pull up
01:39:04 21 Exhibit 437?

01:39:08 22 BY MR. BEAN:

01:39:09 23 **Q** And how about, what are we looking at here?

01:39:12 24 **A** It's the back room of Redemption.

01:39:13 25 **Q** All right. And it looks like there's a machine, you

01:39:17 1 can show a screen up -- are you able to identify what game
01:39:20 2 looks like it's up right now on that?

01:39:23 3 **A** Keno.

01:39:29 4 **Q** And so, if there were patrons at Redemption when this
01:39:32 5 photo was taken, can you just describe where might we see
01:39:35 6 them?

01:39:35 7 **A** In the chairs in front of games.

01:39:42 8 MR. BEAN: Can we please pull up Exhibit 468?

9 BY MR. BEAN:

01:39:48 10 **Q** What are we looking at in this photo?

01:39:50 11 **A** Gaggle System.

01:39:51 12 **Q** And where was the Gaggle System?

01:39:53 13 **A** In the employee's room.

01:39:55 14 **Q** At -- located at a business? In a building? Where
01:39:59 15 at?

01:39:59 16 **A** At Redemption.

01:40:03 17 **Q** What is the Gaggle System?

01:40:06 18 **A** Prints off the tickets to the back so the patrons
01:40:11 19 don't have to do nothing but hit the button.

01:40:14 20 **Q** Hit what button?

01:40:15 21 **A** The cashout button.

01:40:17 22 **Q** On a machine?

01:40:18 23 **A** Correct.

01:40:19 24 **Q** Were all the machines connected to this Gaggle System
01:40:22 25 at Redemption?

01:40:23 1 **A** Most of them. I don't think all of them were. Most
01:40:26 2 of them were.

01:40:26 3 **Q** And I apologize to bring it up, but can you lean in to
01:40:30 4 the microphone again?

01:40:31 5 **A** This mic stinks.

01:40:33 6 **Q** I'm aware. I apologize.

01:40:35 7 **A** Like, I am up in the computer talking in this thing,
01:40:37 8 man. I don't know, it, like, catches it one time and then
01:40:40 9 it doesn't.

01:40:41 10 **Q** I appreciate you humoring us.

01:40:50 11 MR. BEAN: Can we please pull up Exhibit 474.

12 BY MR. BEAN:

01:40:53 13 **Q** What is this here?

01:40:57 14 **A** That's a picture of the back room of Redemption.

01:41:00 15 **Q** So if we are kind of -- is this a different
01:41:03 16 perspective than the other photo we saw of Redemption?

01:41:06 17 **A** Different perspective?

01:41:09 18 **Q** Of the other photo we saw of the interior.

01:41:12 19 **A** Correct. This is the back half. This is the back
01:41:14 20 door to where the other picture was the front door.

01:41:16 21 MR. BEAN: Can we please pull up Exhibit 447?

22 BY MR. BEAN:

01:41:26 23 **Q** Do you recognize what you're looking at here?

01:41:28 24 **A** Yes.

01:41:28 25 **Q** What is that?

01:41:29 1 **A** Daily sheets.

01:41:30 2 **Q** Can you describe for the jury, what is a daily sheet?

01:41:34 3 **A** Each shift had to pertain -- or had to do their
01:41:39 4 numbers to fill out the paperwork to check out for the
01:41:43 5 second or the third shift, whatever shift was coming in the
01:41:47 6 next shift.

01:41:48 7 **Q** And do you see up at the top where it says "date"?

01:41:51 8 **A** Yeah.

01:41:52 9 **Q** What's the date listed?

01:41:56 10 **A** I mean, it's either a 1 or a 7, I don't know, maybe a
01:42:00 11 9 or a 4, 18.

01:42:03 12 **Q** Were these -- were sheets like this used at Skilled
01:42:07 13 Shamrock and Redemption?

01:42:08 14 **A** You want me to answer this or no?

01:42:11 15 It's 7-9-18 now. I can see it.

01:42:14 16 **Q** Thank you.

01:42:15 17 Were daily sheets like this used at Skilled Shamrock
01:42:18 18 and Redemption?

01:42:19 19 **A** They were used at every store I owned.

01:42:22 20 **Q** I'm sorry?

01:42:22 21 **A** They were used at all the stores that I was affiliated
01:42:25 22 with.

01:42:28 23 MR. BEAN: Can you please flip through this to
01:42:30 24 Page 10?

01:42:38 25 Can we do -- actually, can you go back one page,

01:42:42 1 please?

01:42:42 2 One more.

01:42:44 3 One more.

01:42:46 4 BY MR. BEAN:

01:42:46 5 **Q** Sir, what are these?

01:42:50 6 **A** Printout for the dailies.

01:42:54 7 **Q** From what store?

01:42:57 8 **A** Redemption.

01:42:57 9 **Q** And we're on Page 7 here.

01:42:59 10 And how were these used?

01:43:00 11 **A** That's the Gaggle System.

01:43:03 12 **Q** And so what -- the Gaggle System prints this out.

01:43:07 13 What are you -- how is this record used at the business?

01:43:11 14 Like, what's the point of it?

01:43:12 15 **A** I'm pretty sure each shift printed it off, and it gave

01:43:16 16 you the rundown of what your shift did.

01:43:18 17 **Q** And I note up at the top it says -- it references

01:43:21 18 points. What are points?

01:43:24 19 **A** The amount of money that was probably paid out on that

01:43:27 20 shift.

01:43:28 21 **Q** So, does that number correspond to a dollar figure?

01:43:37 22 **A** \$1 for each increment.

01:43:37 23 **Q** So 8,361 points, does that correspond to \$8,361?

01:43:41 24 **A** I can't be a hundred percent, but more than likely,

01:43:44 25 yes.

01:43:45 1 MR. BEAN: All right. You can stop with that.

2 BY MR. BEAN:

01:43:48 3 Q Now, when Mr. DiPietro's were -- machines were at

01:43:52 4 Redemption, what was your role in the business?

01:43:55 5 A Myself and Larry were the owners of it.

01:44:00 6 Q In terms of operations. In terms of the operation at

01:44:08 7 Redemption.

01:44:08 8 A We ran the business, the day-to-day operations.

01:44:11 9 Q What did that entail?

01:44:15 10 A Just daily business, opening the store and running

01:44:23 11 the -- depending on what week it was, myself or Larry ran

01:44:27 12 week to week.

01:44:27 13 Q Now, at this time and time period where Mr. DiPietro

01:44:30 14 is still involved, were audits carried out at Redemption?

01:44:34 15 A Yes.

01:44:35 16 Q And how were the audits carried out?

01:44:40 17 A Back then, Trina came in and did the audits.

01:44:44 18 Q Did she bring a computer with her?

01:44:46 19 A Yes.

01:44:48 20 Q Was it similar to how the audits were conducted at

01:44:51 21 Skilled Shamrock?

01:44:52 22 A The same.

01:44:57 23 Q When Mr. DiPietro was still involved in Redemption,

01:45:00 24 how were the profits split?

01:45:04 25 A 60/40.

01:45:05 1 Q And how about the expenses?

01:45:08 2 A 60/40.

01:45:09 3 Q And -- so the expenses were split equally to the
01:45:16 4 profits?

01:45:19 5 A For some reason I feel like that's why I told him he
01:45:22 6 had to go, because he was only paying a percent of the
01:45:25 7 expenses, which was the match plays or something like that.

01:45:27 8 Q And when you say he was only paying a percentage of
01:45:30 9 expenses, are you referencing, you felt like you weren't
01:45:33 10 getting as much money as you should have been?

01:45:34 11 A Correct.

01:45:35 12 Q Okay. And approximately when was Mr. DiPietro removed
01:45:39 13 from the business?

01:45:43 14 A 2010, early '11.

01:45:46 15 Q Was it around when you got involved in Skilled
01:45:49 16 Shamrock?

01:45:49 17 A Correct.

01:45:49 18 Q Were you at all nervous about getting involved with
01:45:52 19 Skilled Shamrock with Mr. DiPietro after just kind of take
01:45:54 20 him out of another business you were involved in?

01:45:56 21 A No.

01:45:56 22 Q Why not?

01:45:58 23 A For what? For what reason?

01:46:04 24 Q When Mr. DiPietro was out of the business, did the
01:46:08 25 split of the profits change at Redemption?

01:46:19 1 **A** You have to repeat that again.

01:46:21 2 **Q** After -- when -- when it was just you, Mr. Dayton, and
01:46:25 3 Mr. Karasarides at Redemption, Mr. DiPietro's been removed,
01:46:27 4 how were the profits split?

01:46:29 5 **A** 33 1/3.

01:46:31 6 **Q** For each of you?

01:46:32 7 **A** Correct.

01:46:32 8 **Q** All right. And did you continue performing audits?

01:46:36 9 **A** Yes.

01:46:37 10 **Q** And did you continue having a computer that was used
01:46:40 11 in the audits?

01:46:41 12 **A** Did I?

01:46:42 13 **Q** Were -- was a computer at all used in the audits?

01:46:45 14 **A** After Mr. DiPietro left? Negative. No, sir.

01:46:50 15 **Q** How were -- what kind of records did you generate
01:46:52 16 during the audits?

01:46:55 17 **A** You just showed me the sheets that the Gaggie System,
01:47:00 18 there was a -- before the Gaggie System you just went in and
01:47:03 19 printed out the daily in the period, and it would print out
01:47:07 20 a small sheet for you.

01:47:08 21 **Q** And what happened to the records at the end of the
01:47:11 22 audits?

01:47:11 23 **A** Destroyed them.

01:47:17 24 **Q** Was the cash profits at Redemption, were they
01:47:19 25 physically divided amongst the owners?

01:47:21 1 **A** Yes.

01:47:22 2 **Q** And can you describe physically exactly how that
01:47:27 3 happened, you know, tell us where the cash was taken from,
01:47:31 4 how -- you know, put it together, how it's divided?

01:47:35 5 **A** Do the ins and outs and calculate all your numbers.

01:47:39 6 **Q** Are you taking cash out of the machines?

01:47:42 7 **A** Yeah, you do that daily.

01:47:44 8 **Q** And where do you store the cash?

01:47:50 9 **A** Wherever. I mean. . .

01:47:51 10 **Q** Was there a particular place where it was kept safe?

01:47:55 11 **A** I mean, I told them to keep it in the water, but who
01:47:59 12 knows where they kept it.

01:48:00 13 **Q** What do you mean by the water?

01:48:03 14 **A** Well, when you guys raid the stores, you don't take
01:48:07 15 the product. So the best way to hide the money was to cut
01:48:10 16 off the top of the waters and put it down in the water to
01:48:13 17 hide it.

01:48:13 18 **Q** Now, during the audits, was all of the cash at the
01:48:17 19 business pulled out and put into one place?

01:48:21 20 **A** Yeah.

01:48:21 21 **Q** And did you divide it?

01:48:22 22 **A** Correct. Yes.

01:48:24 23 **Q** So what -- and then what happens with your cut? You
01:48:28 24 divided it, you've got your cut. What happens?

01:48:35 25 **A** I leave.

01:48:35 1 Q With the money?

01:48:36 2 A Yeah.

01:48:36 3 Q Do you put it in a container of some sort?

01:48:39 4 A I like to use the bubble gum machine or the bubble gum
01:48:42 5 whatever, buckets.

01:48:43 6 Q How about Mr. Dayton's share, even when he -- even
01:48:48 7 after he was no longer involved in Redemption?

01:48:51 8 A I had no dealings with that. Scrub did -- or Ronnie
01:49:00 9 Hull is the one who would take care of his end, of Larry
01:49:03 10 Dayton's.

01:49:04 11 Q And how about Mr. Karasarides' cut?

01:49:07 12 A I believe Thomas took it to him.

01:49:09 13 Q Thomas who?

01:49:09 14 A Helmick.

01:49:10 15 Q Now, even after Mr. DiPietro was out of Redemption,
01:49:15 16 did you have any conversations with him during which you
01:49:18 17 discussed your continued involvement in Redemption?

01:49:22 18 MR. FEDOR: Objection.

01:49:22 19 THE COURT: Overruled.

01:49:26 20 THE WITNESS: I mean, all I did was tell him
01:49:27 21 to take his machines, and I put my own in there.

01:49:30 22 BY MR. BEAN:

01:49:30 23 Q Right. But after that, did you ever talk about the
01:49:32 24 numbers at Redemption or how Redemption was doing,
01:49:34 25 particularly in comparison to Skilled Shamrock?

01:49:36 1 **A** Not that I remember.

01:49:38 2 **Q** Did you ever have any discussions with him regarding
01:49:41 3 being in gaming businesses or gambling businesses or skilled
01:49:46 4 games businesses?

01:49:46 5 **A** I mean, he knew I owned them. People who are in the
01:49:49 6 game room know who owns what.

01:49:58 7 MR. BEAN: Can we please pull up up exhibit --

01:50:00 8 MR. GOLDBERG: Excuse me. I didn't get the
01:50:01 9 answer to the last question. If the court reporter --

01:50:04 10 MR. FEDOR: I didn't understand the answer.

11 THE COURT: I hope you're not asking me, Mike,
01:50:22 12 because I couldn't understand it either.

01:50:22 13 (Court Reporter read back as requested.)

01:50:25 14 MR. BEAN: Can we please pull up Exhibit 455?

01:50:33 15 And could you scroll through the few pages here?

01:50:37 16 Thank you.

01:50:38 17 Now, if we could go back and -- to the second page,
01:50:43 18 please?

01:50:44 19 And I'll just note that the parties have stipulated on
01:50:46 20 this exhibit.

01:50:48 21 BY MR. BEAN:

01:50:48 22 **Q** Mr. Kachner, what is this?

01:50:54 23 **A** Plain Township Zoning Department's permit.

01:50:58 24 **Q** All right. So, help me understand, I think you
01:51:02 25 testified earlier that you knew that Redemption and Skilled

01:51:06 1 Shamrock were not in compliance with state law. How -- how
01:51:10 2 is there a permit here from Plain Township?

01:51:15 3 **A** You want my honest answer?

01:51:17 4 **Q** Always.

01:51:17 5 **A** They're thieves.

01:51:22 6 **Q** Okay. Can you elaborate on that?

01:51:24 7 **A** Well, they figured they could get their hand in on the
01:51:26 8 prize, so they made the fire marshal come out and count how
01:51:29 9 many machines it was and tell you -- charge you an annual
01:51:31 10 fee and a hundred dollars a machine for some unruly [sic]
01:51:34 11 reason.

01:51:34 12 **Q** So, was it -- did you understand that Redemption
01:51:37 13 needed to pay this fee and if it didn't, it would get shut
01:51:40 14 down by the township?

01:51:42 15 **A** Correct.

01:51:42 16 **Q** All right. And who is listed on this permit as the
01:51:47 17 owner of the business?

01:51:50 18 **A** It says the name of applicant is Thomas Helmick.
01:51:57 19 Oh, name of the -- I'm sorry.

01:51:59 20 **Q** Was he actually the owner of the business?

01:52:00 21 **A** Underneath it said that. I'm sorry.

01:52:02 22 **Q** Was he actually the owner of the business?

01:52:04 23 **A** No, sir.

01:52:04 24 **Q** Did you believe that having this permit authorized
01:52:09 25 Redemption to pay out cash to patrons?

01:52:12 1 **A** To pay out cash to the patrons? No.

01:52:14 2 **Q** Why not?

01:52:16 3 **A** This is -- this was something that I stated just a
01:52:19 4 minute ago. Like, they robbed everybody for it.

01:52:23 5 MR. KERSEY: Judge, I still can't understand
01:52:24 6 him. He's got to speak up.

01:52:26 7 THE COURT: I don't understand half of what
01:52:27 8 he's saying.

01:52:28 9 MR. BEAN: Can you lean into the microphone,
01:52:29 10 please.

01:52:32 11 THE WITNESS: As I stated before, this was
01:52:35 12 their way to get their hand into the money that was being
01:52:38 13 made at the stores, and they robbed them basically, in my
01:52:40 14 opinion.

01:52:42 15 BY MR. BEAN:

01:52:42 16 **Q** Are you the only person who was involved in the
01:52:45 17 skilled games or gaming -- gambling businesses who thought
01:52:48 18 this way about the zoning permits?

01:52:51 19 **A** I can't answer that.

01:52:52 20 **Q** Well --

01:52:53 21 **A** I don't know if the other -- how the others felt.

01:52:56 22 **Q** Did you ever talk to other people about it?

01:52:57 23 **A** No. That's my opinion.

01:53:01 24 **Q** On this permit, does it say how many machines were
01:53:05 25 paying for the permit here?

01:53:06 1 **A** 75.

01:53:08 2 **Q** Is that approximately how many machines were at
01:53:11 3 Redemption in 2018?

01:53:12 4 **A** Normally I overed that by five to seven machines.

01:53:17 5 **Q** So, as you say, it was probably more like 70 then at
01:53:21 6 Redemption?

01:53:21 7 **A** Roughly, yeah, 68 to 70 machines.

01:53:24 8 MR. BEAN: Can we pull up Exhibit 434?

01:53:28 9 And I'll note the parties have also stipulated on this
01:53:30 10 exhibit.

01:53:31 11 And could you go to the second page, please?

01:53:37 12 BY MR. BEAN:

01:53:38 13 **Q** What is this?

01:53:39 14 **A** Same paperwork, just is for Skilled Shamrock.

01:53:41 15 **Q** All right. And who is listed as the owner of the
01:53:44 16 business on this?

01:53:48 17 **A** Derek Phillips.

01:53:49 18 **Q** And how many machines are listed here?

01:53:55 19 **A** 32.

01:53:57 20 **Q** So, is it about -- was it exactly 32, you think, or
01:54:02 21 again, is that kind of an estimate?

01:54:04 22 **A** That one's probably pretty close. Maybe over by about
01:54:07 23 two because the place was still so small.

01:54:09 24 **Q** So is it fair to say that there are about twice as
01:54:12 25 many machines at Redemption as at Skilled Shamrock?

01:54:15 1 **A** At one point, yes.

01:54:16 2 **Q** Now, earlier we looked at the audit sheets from
01:54:19 3 Skilled Shamrock and we saw some numbers. Are there similar
01:54:25 4 records for Redemption?

01:54:27 5 **A** No.

01:54:30 6 **Q** But you testified that there are about twice as many
01:54:33 7 machines at Redemption as at Skilled Shamrock.

01:54:35 8 Would it be a conservative estimate to say Redemption
01:54:41 9 made at least as much profit as Skilled Shamrock?

01:54:44 10 MR. GOLDBERG: Objection.

01:54:44 11 THE COURT: Overruled.

01:54:44 12 THE WITNESS: Yes.

13 BY MR. BEAN:

01:54:48 14 **Q** Did Skilled Shamrock and Redemption have a busy
01:54:50 15 season?

01:54:54 16 **A** Tax time.

01:54:57 17 **Q** All right. I'd like to go back to your tax returns if
01:55:02 18 we could.

01:55:03 19 I believe you testified that Mr. DiPietro prepared
01:55:05 20 some of your returns, including your 2017 return, and that
01:55:11 21 return was false because it did not report income from
01:55:16 22 Skilled Shamrock or Redemption or all the income you had
01:55:18 23 from your gambling businesses.

01:55:19 24 Was that your testimony earlier?

01:55:21 25 MR. FEDOR: Objection.

01:55:21 1 THE COURT: Overruled.

01:55:23 2 THE WITNESS: Yes.

01:55:24 3 MR. BEAN: Can we please pull back up
01:55:28 4 Exhibit 152? And can we keep going to that Schedule C.

01:55:39 5 BY MR. BEAN:

01:55:40 6 Q Now, when we first looked at the Schedule C, we hadn't
01:55:43 7 looked at any of the audit sheets but now we have. And I
01:55:46 8 think you testified earlier -- let me ask you again.

01:55:47 9 How did you come up with the \$126,000 number?

01:55:50 10 A I just told him a number when I went into the
01:55:52 11 establishment.

01:55:53 12 Q All right. Were there records that would -- from
01:55:57 13 which an individual could calculate what a much closer
01:56:00 14 number was or maybe what the actual number was?

01:56:03 15 A From his Excel sheets.

01:56:05 16 Q So, did -- when you were meeting with Mr. DiPietro on
01:56:07 17 your tax returns -- well, let me ask you this: Did you ever
01:56:11 18 meet specifically in person with Mr. DiPietro on your tax
01:56:14 19 returns?

01:56:16 20 A Did I meet -- did I meet him before I went --

01:56:19 21 Q No. Meet with him in person.

01:56:21 22 A To do my taxes?

01:56:27 23 Q Yes.

01:56:27 24 A Yes, sir.

01:56:28 25 Q All right. During those meetings, did Mr. DiPietro

01:56:30 1 say, hey, let me pull out the audit sheets. Let's look at
01:56:33 2 that and use that?

01:56:34 3 **A** No.

01:56:34 4 **Q** Did you ever say to Mr. DiPietro, hey, I know you have
01:56:37 5 these audit sheets. Why didn't you pull that out and use
01:56:40 6 it?

01:56:40 7 **A** No, sir.

01:56:40 8 **Q** Was there ever any expectation that the audit sheets
01:56:43 9 would be used to prepare your tax return to determine how
01:56:47 10 much income you had from Skilled Shamrock?

01:56:50 11 **A** No.

01:56:52 12 **Q** Is this \$126,000, is that less than the amount of
01:56:55 13 income you had from Skilled Shamrock?

01:56:59 14 **A** Yes.

01:57:00 15 **Q** Can you --

01:57:01 16 **A** Yes.

01:57:01 17 **Q** And if you add in Redemption, it's probably even less
01:57:05 18 by even more?

01:57:08 19 **A** Could be depending on --

01:57:11 20 **Q** Well, if Redemption had at least as much profits as
01:57:14 21 Skilled Shamrock, and this is less than Skilled Shamrock, do
01:57:18 22 you agree that it follows that if you add both together,
01:57:22 23 it's probably even -- it's underreported by even more?

01:57:25 24 **A** Okay.

01:57:27 25 **Q** All right.

01:57:29 1 MR. FEDOR: Objection. Non-responsive.

01:57:30 2 THE WITNESS: Witness yes.

01:57:31 3 THE COURT: I understood it.

01:57:32 4 THE WITNESS: Yes.

01:57:33 5 MR. BEAN: Can you please pull up Exhibit 328?

01:57:40 6 BY MR. BEAN:

01:57:40 7 Q Sir, when you -- when Mr. DiPietro prepared your tax
01:57:44 8 returns, did he ask you to sign some forms?

01:57:47 9 A Yes.

01:57:49 10 Q Is your signature on this form?

01:57:52 11 A Yes.

01:57:55 12 Q Is this -- do you recognize this as one of the forms
01:57:57 13 he asked you to sign?

01:58:00 14 A I mean. . .

01:58:02 15 Q I mean, if you don't recall specifically, you can say.

01:58:06 16 A I'm not going to say that I remember signing this. I
01:58:09 17 just signed paperwork that -- when the paperwork was filled
01:58:11 18 out.

01:58:12 19 Q But do you agree it has your signature?

01:58:13 20 A It is my signature.

01:58:15 21 Q And do you agree it looks like this relates to taxes?

01:58:18 22 A Correct.

01:58:19 23 Q Can you -- up at the top, can you just tell us what
01:58:24 24 it's -- well, that was a terrible drawing.

01:58:26 25 A I got you.

01:58:28 1 Q Can you just read that out for the jury, please?

01:58:31 2 A "IRS E-File Signature Authorization."

01:58:35 3 Q And do you see your name and your wife's name on this
01:58:37 4 document?

01:58:39 5 A Yes, sir.

01:58:39 6 Q And for what year does this relate?

01:58:43 7 A 2017.

01:58:45 8 Q All right.

01:58:46 9 MR. BEAN: Carissa, can we pull up the part
01:58:48 10 under part 2?

01:58:53 11 BY MR. BEAN:

01:58:53 12 Q Sir, I'm going to ask you to read the first sentence,
01:58:56 13 please.

01:59:00 14 A You're not talking about the taxpayer declaration,
01:59:03 15 right?

01:59:04 16 Q The smaller text that begins "under," please.

01:59:06 17 A "Under penalties of perjury, I declare that I have
01:59:12 18 examined a copy of my electronic individual income tax
01:59:15 19 return and accompanying schedules and statements for the tax
01:59:20 20 year ending December 31, 2017, and, to the best of my
01:59:25 21 knowledge and belief, it is true, correct, and accurately
01:59:30 22 lists all amounts of sources of income I received during the
01:59:34 23 tax year."

01:59:35 24 Q Thank you, sir.

01:59:37 25 Now, do you agree that your 2017 tax return, to the

01:59:42 1 best of your knowledge, was correct or accurately listed
01:59:45 2 your number, or your sources of income?

01:59:47 3 **A** No, sir.

01:59:48 4 **Q** Then why did you sign this document?

01:59:55 5 **A** As I did it -- that's what I did with all my taxes. I
01:59:59 6 was supposed to sign them.

02:00:00 7 **Q** When Mr. -- you can finish. I apologize.

02:00:03 8 **A** I had to sign is what I was going to say.

02:00:05 9 **Q** When Mr. DiPietro asked you to sign documents in
02:00:07 10 relation to your tax returns, did he explain what the
02:00:10 11 documents were?

02:00:12 12 **A** He might have. I'm not a hundred percent sure.

02:00:15 13 **Q** Do you recall any such conversation?

02:00:19 14 **A** To be honest, when it came to filing taxes, I didn't
02:00:22 15 give two craps about it. I just signed and went along with
02:00:25 16 it.

02:00:25 17 **Q** Do you recall him ever going over this document with
02:00:29 18 you?

02:00:29 19 **A** Again, my wife was more in charge of doing that. I
02:00:33 20 was --

02:00:34 21 **Q** What do you mean, more in charge of doing what?

02:00:36 22 **A** She paid -- she paid attention to what we were signing
02:00:39 23 and whatnot.

02:00:41 24 **Q** Did you ever talk about this document with her?

02:00:46 25 **A** The only one I remember about is that we had to fill

02:00:48 1 out and we had to send in, like, little monthly or
02:00:54 2 something, bi-monthly payments is the only thing that I can
02:01:00 3 remember really. As for just signing paperwork, it was just
02:01:04 4 another piece of paper that I signed.

02:01:08 5 **Q** When your 2017 tax return was filed, did Mr. DiPietro
02:01:14 6 know that the tax return was false?

02:01:18 7 **A** Per his numbers on the computer, yes.

02:01:24 8 **Q** Did Mr. DiPietro know you were involved in Cafe 62?

02:01:30 9 **A** Again, Stark County is only so big. Everyone that
02:01:35 10 owned a game room knew who owned what.

02:01:37 11 **Q** Did you ever talk specifically about that business
02:01:39 12 with him?

02:01:41 13 **A** I mean, I might have said something, that it was doing
02:01:43 14 good or doing bad or in the hood or something like that, but
02:01:46 15 to break down numbers, no.

02:01:47 16 **Q** Is what you just described, would that be the extent
02:01:50 17 of it?

02:01:51 18 **A** Correct.

02:01:51 19 **Q** Did Mr. DiPietro ever ask you any questions about your
02:01:55 20 involvement in Cafe 62?

02:01:57 21 **A** No.

02:01:59 22 **Q** Now, this form we're looking at, do you believe you
02:02:03 23 signed this form in prior years as well?

02:02:06 24 **A** The e-file?

02:02:09 25 **Q** Yes.

02:02:10 1 **A** I can't be sure.

02:02:13 2 **Q** If someone -- would you be surprised if you learned
02:02:15 3 that you had signed it in prior years?

02:02:17 4 **A** That I had?

02:02:17 5 **Q** Yeah. Had signed it.

02:02:19 6 **A** I mean, if it's a document that was supposed to be
02:02:22 7 signed by the government -- for the government, then yeah, I
02:02:24 8 signed it.

02:02:25 9 **Q** Okay.

02:02:25 10 MR. BEAN: Can we please pull up Exhibit 329?

02:02:34 11 And could we go to the second page, please?

02:02:36 12 BY MR. BEAN:

02:02:36 13 **Q** Sir, is that your signature?

02:02:38 14 **A** Yes, sir.

02:02:40 15 **Q** And do you see above where you've signed it, do you
02:02:44 16 see a name?

02:02:47 17 **A** Ron DiPietro, Ron & Associates.

02:02:49 18 **Q** Thank you.

02:02:50 19 MR. BEAN: Can we go back to the first page,
02:02:53 20 please?

02:02:54 21 BY MR. BEAN:

02:02:55 22 **Q** Let me ask you, do you recall signing this document?

02:03:00 23 **A** Again, I signed a lot of documents when I went in
02:03:04 24 there. To say that I specifically remember this document,
02:03:06 25 no.

02:03:08 1 Q Can you please read the first two sentences of the
02:03:12 2 second paragraph?

02:03:15 3 A "We will prepare your 2017 federal and state income
02:03:21 4 tax returns. We will depend on you to provide the
02:03:24 5 information we need to prepare complete and accurate
02:03:27 6 returns."

02:03:28 7 Q Thank you. That's fine.

02:03:30 8 Did you have records of how much income you received
02:03:33 9 from Skilled Shamrock and Redemption?

02:03:36 10 A Personally, no.

02:03:37 11 Q Why not?

02:03:39 12 A Because I didn't keep any of that paperwork.

02:03:40 13 Q Who had records of your income from Skilled Shamrock?

02:03:44 14 A Ron DiPietro's computer.

02:03:47 15 Q Do you recall going over the text of this document
02:03:50 16 with Mr. DiPietro at the time you signed it, or really at
02:03:54 17 any time he was preparing your tax returns?

02:03:55 18 A No.

02:04:01 19 Q Do you recall reading this document at any time before
02:04:05 20 the government showed it to you in preparation for trial?

02:04:12 21 A Can you repeat that again?

02:04:13 22 Q So I'm asking, did the government show you this
02:04:16 23 document in preparation for trial?

02:04:18 24 A I believe so, yes.

02:04:20 25 Q Before that happened, do you recall ever seeing this

02:04:23 1 document before?

02:04:25 2 **A** I believe I remember signing it.

02:04:28 3 **Q** Do you recall reading it?

02:04:31 4 **A** No.

02:04:32 5 **Q** Why did you sign it if you didn't read it?

02:04:38 6 **A** Again, I just sign the paperwork. I don't -- I never
02:04:42 7 read nothing.

02:04:44 8 MR. BEAN: Can we please pull up Exhibit 150?

02:04:50 9 And the next page, Page 2, please.

02:04:52 10 BY MR. BEAN:

02:04:52 11 **Q** Is this your 2016 tax return?

02:04:58 12 **A** Okay. Yep.

02:05:00 13 MR. BEAN: And can we go -- I think it's
02:05:02 14 probably Page 3.

02:05:05 15 Page 4, please.

02:05:06 16 BY MR. BEAN:

02:05:07 17 **Q** Who is listed as the paid preparer?

02:05:14 18 **A** Ron DiPietro, Ron & Associates, 34-something West Tusc
02:05:22 19 Street, Canton, Ohio.

02:05:24 20 **Q** Thank you.

02:05:25 21 MR. BEAN: Can you please go to Page 9?

02:05:30 22 Sorry. Numbers keep changing. Keep going, please.

02:05:47 23 (Off-record discussion).

02:05:52 24 MR. BEAN: Can you go backwards, please?

02:06:00 25 All right.

02:06:01 1 We'll go to Exhibit 148, please.

02:06:07 2 BY MR. BEAN:

02:06:08 3 **Q** Is this your 2015 tax return?

02:06:13 4 **A** Yes, that's what it says at the top.

02:06:15 5 MR. BEAN: Can we please go to Page 3?

02:06:23 6 BY MR. BEAN:

02:06:24 7 **Q** Who is listed as the paid preparer?

02:06:30 8 THE WITNESS: Can you blow that up? Can you
02:06:32 9 blow that up, please?

02:06:35 10 **A** Ron DiPietro, Ron & Associates, 3414 West Tusc
02:06:39 11 Street -- Tuscarawas Street, Canton, Ohio.

02:06:42 12 **Q** Thank you.

02:06:43 13 MR. BEAN: Can we scroll through some pages
02:06:45 14 and I'll tell you when to stop, please.

02:06:50 15 Thank you.

02:06:52 16 BY MR. BEAN:

02:06:53 17 **Q** Sir, does this appear to be a Schedule C for a
02:06:56 18 handyman service?

02:06:57 19 **A** Yes.

02:06:58 20 **Q** Did you have a handyman service in 2015?

02:07:01 21 **A** No.

02:07:02 22 **Q** Is this the income that you did report from your
02:07:06 23 gambling businesses?

02:07:07 24 **A** Yes. Yes.

02:07:09 25 **Q** Is that the true amount of income --

02:07:12 1 MR. BEAN: Can we shrink that down, please.

02:07:15 2 THE WITNESS: No.

02:07:16 3 BY MR. BEAN:

02:07:16 4 Q Is that the true amount of income you earned from your
02:07:19 5 gambling businesses?

02:07:20 6 A No.

02:07:20 7 Q All right. Is the income you received from Skilled
02:07:23 8 Shamrock, Redemption, or Cafe 62 reported anywhere on this
02:07:27 9 return?

02:07:32 10 A I mean, as in name-wise?

02:07:37 11 Q Yeah. Are they reported -- do they show up anywhere
02:07:40 12 on this return?

02:07:41 13 A No.

02:07:46 14 Q How about your ownership of those businesses?

02:07:48 15 A No.

02:07:48 16 Q Is this tax return false?

02:07:54 17 A I mean, without looking at all the numbers, yeah, it's
02:07:57 18 false.

02:07:57 19 Q I mean, if Skilled Shamrock and Redemption aren't on
02:08:01 20 here --

02:08:01 21 A If you're asking for Redemption too, then yes, it's
02:08:04 22 false.

02:08:04 23 Q And what about -- I mean, is your ownership in those
02:08:07 24 businesses reported on here?

02:08:08 25 A No.

02:08:08 1 Q All right. And were you -- did you have a handyman
02:08:10 2 business?

02:08:11 3 A Again, no.

02:08:17 4 MR. BEAN: Does this work? Because the Trial
02:08:19 5 Director for 150 does not have all the pages, but the
02:08:21 6 binders have all the pages for the exhibits.

02:08:23 7 So does the overhead work?

8 MR. HOWELL: Yeah, Steve, can he please use
9 the overhead?

02:08:28 10 COURTROOM DEPUTY: Overhead? Sure.

02:08:31 11 MR. HOWELL: Thank you.

02:08:31 12 COURTROOM DEPUTY: Okay. Give it a second.

02:08:50 13 MR. BEAN: We've got Exhibit 150 here.

14 BY MR. BEAN:

02:08:52 15 Q Sir, is this your 2015 tax return?

02:08:55 16 A Yes, sir.

02:08:55 17 Q And is this the same one we looked at a few moments
02:08:58 18 ago and we tried to scroll some pages and we were stopped?

02:09:00 19 A Yes. Yes, sir.

02:09:01 20 Q All right. I'm going to go to Page 11.

02:09:12 21 Sir, this a Schedule C that reports a handyman
02:09:15 22 business?

02:09:15 23 A Yes.

02:09:17 24 Q Did you have a handyman business in 2016?

02:09:20 25 A No.

02:09:22 1 Q Did you earn \$90,000 from a handyman business in 2016?

02:09:28 2 A No.

02:09:28 3 Q Is this -- is that \$90,000, is that actual reporting
02:09:34 4 income from a gambling business or multiple gambling
02:09:37 5 businesses?

02:09:37 6 A Yes.

02:09:39 7 Q Are businesses Skilled Shamrock or Redemption
02:09:42 8 mentioned anywhere on this return?

02:09:43 9 A No.

02:09:45 10 Q Is the income -- is all of the income you earned from
02:09:48 11 those businesses reported on this return?

02:09:50 12 A No. No.

02:09:57 13 Q Is it your understanding that Mr. DiPietro, when he
02:10:02 14 prepared this return, knew the return was not true?

02:10:06 15 A Per his computers, yes.

02:10:10 16 MR. BEAN: Can we please pull up Exhibit 146?

02:10:22 17 MS. WELCH: Steve, can we have the computer
02:10:23 18 again?

02:10:24 19 COURTROOM DEPUTY: Yes.

02:10:29 20 BY MR. BEAN:

02:10:29 21 Q Sir, is this your 2014 tax return?

02:10:33 22 A Yes.

02:10:35 23 MR. BEAN: And can we go to Page 3, please?

02:10:41 24 And can we blow up the bottom?

02:10:47 25 BY MR. BEAN:

02:10:48 1 Q Who is listed as the paid preparer?

02:10:53 2 A Leah Stark.

02:10:54 3 Q Do you remember meeting with her?

02:11:00 4 A I mean, meeting with a lady. To pick her out of a
02:11:04 5 line-up, I couldn't do that.

02:11:05 6 Q Where did she work though?

02:11:07 7 A Ron & Associates.

02:11:07 8 Q And how did she come to prepare your tax return?

02:11:13 9 A I believe it was a late -- late appointment and
02:11:17 10 Mr. DiPietro was running behind, so he had her prepare the
02:11:22 11 taxes.

02:11:24 12 MR. BEAN: Can we please go to Page --
02:11:27 13 actually, can we just scroll out a little bit.

02:11:32 14 BY MR. BEAN:

02:11:32 15 Q Sir, do you see above where it says "paid preparer use
02:11:36 16 only" and "sign here" it says "third-party designee"?

02:11:39 17 A No. Can you blow anything up that you --

02:11:42 18 Q Yes, we can.

02:11:43 19 How about now. Is that better?

02:11:45 20 A What was your question again, please?

02:11:47 21 Q Who is listed as the third-party designee on this
02:11:50 22 return?

02:11:50 23 A Designee's name, Ron DiPietro.

02:11:52 24 Q All right.

02:11:54 25 MR. BEAN: Can we please go to Page -- it's

02:11:56 1 likely Page 9.

02:12:01 2 Keep going.

02:12:02 3 Keep going.

02:12:05 4 Thank you.

02:12:07 5 BY MR. BEAN:

02:12:07 6 **Q** Is this a Schedule C for your handyman business?

02:12:12 7 **A** It's what the paper -- that's what it says, yes.

02:12:14 8 **Q** Did you have a handyman business in 2014?

02:12:16 9 **A** No. No.

02:12:18 10 **Q** And is the income that's reported here, is that

02:12:21 11 actually from your gambling businesses?

02:12:25 12 **A** No. No.

02:12:26 13 **Q** It's not from your gambling businesses?

02:12:28 14 **A** Oh. Yes.

02:12:32 15 **Q** How did the person who prepared this return get this

02:12:35 16 figure?

02:12:37 17 **A** Because I went in and told them what to put down.

02:12:41 18 **Q** And did anybody have records that would say how much

02:12:45 19 at least you had from Skilled Shamrock?

02:12:47 20 **A** Mr. DiPietro -- Mr. DiPietro.

02:12:50 21 **Q** And who owned the business that prepared this return?

02:12:52 22 **A** Ron & Associates.

02:12:54 23 **Q** And who owned that business?

02:12:55 24 **A** Mr. DiPietro.

02:12:57 25 **Q** Thank you.

02:13:00 1 MR. BEAN: Can we please go to Exhibit 143?

02:13:07 2 BY MR. BEAN:

02:13:07 3 **Q** Is this your 2013 tax return?

02:13:12 4 **A** Yes.

02:13:14 5 MR. BEAN: Can you go to Page 3, please?

02:13:18 6 Actually, one page back.

02:13:21 7 And can you blow up the bottom?

02:13:25 8 BY MR. BEAN:

02:13:25 9 **Q** Who is listed as the preparer of this tax return?

02:13:32 10 **A** Ron DiPietro.

02:13:33 11 **Q** All right. Thank you.

02:13:35 12 MR. BEAN: Can we go to Page -- can we scroll
02:13:41 13 a couple pages, please, and I'll tell you when to stop,
02:13:44 14 please? Thank you.

02:13:46 15 Right here. Thank you.

02:13:47 16 BY MR. BEAN:

02:13:47 17 **Q** Does this report a handyman business?

02:13:51 18 **A** Yeah.

02:13:51 19 **Q** And is -- I'll note this is Page 9.

02:13:54 20 Again, I think I've asked -- beat this question to
02:13:57 21 death, but I'll ask you: In 2013, did you have a handyman
02:13:59 22 business?

02:14:00 23 **A** No, sir.

02:14:00 24 **Q** All right. And what income is actually shown here?

02:14:06 25 **A** What income?

02:14:07 1 Q What was the source of the income that's reported
02:14:09 2 here?

02:14:09 3 A From the skill rooms.

02:14:10 4 Q And is this all of the income you had from those
02:14:14 5 businesses?

02:14:16 6 A No, sir.

02:14:17 7 Q Are Skilled Shamrock or Redemption mentioned anywhere
02:14:21 8 on this tax return?

02:14:22 9 A No, sir.

02:14:22 10 Q How about Cafe 62?

02:14:26 11 A No, sir.

02:14:30 12 MR. BEAN: Can we please pull up Exhibit 144?

02:14:33 13 BY MR. BEAN:

02:14:34 14 Q Mr. Kachner, do you remember at some point having to
02:14:36 15 file an amended tax return?

02:14:40 16 A Yes.

02:14:43 17 Q All right. Is this the amended tax return that you
02:14:45 18 filed for tax year 2013?

02:14:50 19 A Sir, looking at this stuff is like Chinese to me,
02:14:54 20 okay?

02:14:54 21 Q Let's just -- how about -- can you read the part
02:14:57 22 that's circled in yellow?

02:14:59 23 A "Amended U.S. Individual Income Tax Return."

02:15:03 24 Q So, does it look -- seem based on that that it looks
02:15:07 25 like this is an amended return?

02:15:08 1 **A** Yes, sir.

02:15:09 2 **Q** Okay. And that's your name on this return; right?

02:15:14 3 **A** Myself and my wife.

02:15:17 4 MR. BEAN: Can you scroll through this,
02:15:19 5 please?

02:15:21 6 Stop right there.

02:15:22 7 BY MR. BEAN:

02:15:23 8 **Q** All right. Is this a Schedule C for your car
02:15:29 9 business? Does this report your car business?

02:15:31 10 **A** It does.

02:15:32 11 **Q** Do you recall that at some point there was an issue
02:15:35 12 with the car business and you had to file an updated tax
02:15:41 13 return?

02:15:42 14 **A** Yes, because the cars on the lot get to be. . . I
02:15:47 15 mean, I don't know what the proper tax word is, but
02:15:49 16 basically, like, reduced because it's still profit on the
02:15:53 17 business.

02:15:56 18 MR. BEAN: Carissa, can you scroll through the
02:15:57 19 rest of this tax return?

02:16:01 20 BY MR. BEAN:

02:16:01 21 **Q** Having looked through the whole tax return, were there
02:16:03 22 any amendments made to that Schedule C for the handyman?

02:16:07 23 **A** No.

02:16:08 24 **Q** So, from this tax return, does it appear that it's
02:16:13 25 adopting that earlier filing, the 2013 return?

02:16:18 1 MR. FEDOR: Objection.

02:16:19 2 THE COURT: Overruled.

02:16:20 3 THE WITNESS: Meaning that it -- we did an
02:16:22 4 adjustment to the '13?

02:16:25 5 BY MR. BEAN:

02:16:26 6 Q It didn't do any adjustment. It's basically saying
02:16:28 7 stand by it.

02:16:29 8 A For the game rooms you're saying?

02:16:32 9 Q Um-hmm.

02:16:32 10 A Correct.

02:16:34 11 MR. BEAN: And can we go up to Page 2, I
02:16:37 12 believe.

02:16:37 13 One more, down. Sorry.

02:16:38 14 And can you blow up the bottom.

02:16:43 15 BY MR. BEAN:

02:16:43 16 Q Who is listed as the preparer?

02:16:46 17 A Ron DiPietro.

02:16:47 18 Q All right. Thank you.

02:16:49 19 MR. BEAN: We can take that down.

20 BY MR. BEAN:

02:16:52 21 Q Now, earlier you testified that Skilled Shamrock had
02:16:54 22 employees; is that right?

02:16:56 23 A Yes.

02:16:57 24 Q Were those employees paid in cash?

02:17:01 25 A Yes.

02:17:02 1 Q And -- all right. How many hours did an employee
02:17:07 2 work, approximately?

02:17:09 3 A Eight.

02:17:11 4 Q So were there shifts?

02:17:12 5 A Yeah. Yes.

02:17:13 6 Q How many hours a day was Skilled Shamrock open?

02:17:16 7 A One more time, I'm sorry.

02:17:18 8 Q How many hours a day was Skilled Shamrock open?

02:17:24 9 A To start, I think it was only open until, like,
02:17:28 10 midnight, and then we started opening them 24 hours.

02:17:31 11 Q And was it -- how about number of days a week?

02:17:34 12 A Seven.

02:17:37 13 Q And how much were employees paid an hour?

02:17:42 14 A 10 bucks to 12 bucks an hour.

02:17:45 15 Q And for most of the time you were involved in Skilled
02:17:49 16 Shamrock, were there any employment taxes withheld and paid
02:17:51 17 over?

02:17:52 18 A There was supposed to be, but Derek never went and did
02:17:55 19 it.

02:17:55 20 Q When you say there was supposed to be, who told Derek
02:17:58 21 that maybe you should do it?

02:18:00 22 A Myself.

02:18:01 23 Q Did you ever have any discussion with your co-owners
02:18:04 24 about employment taxes?

02:18:06 25 A Not that I recall -- not that I remember.

02:18:08 1 Q Did any of them ever tell you, hey, Kake, make sure
02:18:13 2 we're doing this?

02:18:14 3 MR. GOLDBERG: Objection.

02:18:14 4 THE COURT: Overruled.

02:18:15 5 THE WITNESS: No, sir. No, sir.

02:18:21 6 BY MR. BEAN:

02:18:21 7 Q At some point did you learn that Mr. Karasarides had
02:18:23 8 issues with the IRS?

02:18:25 9 A Yes.

02:18:26 10 Q How did that happen?

02:18:29 11 A I purchased a home and couldn't get the deed for it
02:18:32 12 because it was under a government lien.

02:18:34 13 Q And approximately when was this?

02:18:38 14 A I don't know.

02:18:38 15 Q An estimate's fine.

02:18:40 16 A '13, '15, somewhere in there.

02:18:46 17 Q Did you -- did Mr. Karasarides tell you what his
02:18:49 18 troubles with the IRS were?

02:18:50 19 A Just said he owed money to them.

02:18:52 20 Q Did he say how much money?

02:18:55 21 A No, not exactly. No.

02:18:56 22 Q Did Mr. Karasarides say anything to you about whether
02:18:59 23 or not he could pay?

02:19:00 24 A No. It was in the millions from what I understood.

02:19:03 25 MR. GOLDBERG: I didn't understand.

02:19:05 1 THE WITNESS: It was in the millions from what
02:19:06 2 I understood.

02:19:11 3 BY MR. BEAN:

02:19:11 4 Q Did title of this house ever transfer to you?

02:19:14 5 A No.

02:19:16 6 Q What did you do to try to solve this problem?

02:19:22 7 A Nothing.

02:19:23 8 Q Why not?

02:19:25 9 A What am I supposed to do?

02:19:27 10 Q I mean, you were trying to purchase a property; right?

02:19:30 11 A Yes, sir.

02:19:33 12 Q I mean, weren't there steps you could take or talk to
02:19:36 13 Mr. Karasarides and try to get him to resolve the issue?

02:19:39 14 A I mean, it was an ongoing thing. We were trying to
02:19:42 15 get it accomplished, yes.

02:19:43 16 MR. BEAN: Can we please pull up Exhibit 331?

02:19:49 17 And I'll note I think this exhibit's been stipulated
02:19:51 18 to and we've already looked at it.

02:19:56 19 Can we go to -- can we look -- blow up the text at the
02:20:03 20 bottom, please? The last three.

02:20:11 21 BY MR. BEAN:

02:20:12 22 Q Can you please read the text from you on May 5th,
02:20:16 23 2017, to Mr. Karasarides?

02:20:20 24 A You want me to read this word for word?

02:20:22 25 Q Yes, please.

02:20:26 1 **A** "Hey, bud. Can you call me about getting this parking
02:20:29 2 lot redone at Sham? Had a lady last night basically F up
02:20:33 3 her front end cause of water in a hole filling it up, and I
02:20:38 4 didn't know if that was -- if it was that big -- if it was
02:20:42 5 that big, now she is bitching, wanting it fixed. Can you
02:20:46 6 help?"

02:20:47 7 **Q** What is Sham?

02:20:49 8 **A** Skilled Shamrock.

02:20:50 9 **Q** And why are you texting Mr. Karasarides about this?

02:20:54 10 **A** Because I didn't have anybody that I knew offhand to
02:20:57 11 do parking lots.

02:20:57 12 **Q** All right.

02:20:59 13 MR. BEAN: We can make this one smaller.

02:21:02 14 Thank you.

02:21:03 15 And can we go to the next page, please?

02:21:06 16 And can we please blow up this one next to the yellow
02:21:10 17 mark?

02:21:20 18 BY MR. BEAN:

02:21:20 19 **Q** Can you please read this text message from you on
02:21:23 20 May 14th, 2017, to Mr. Karasarides?

02:21:26 21 **A** "You want me to stop by or you want me to leave and
02:21:29 22 pick up?"

02:21:30 23 **Q** What are you talking about here?

02:21:37 24 **A** What is 5-14-2017's day?

02:21:41 25 **Q** I mean, why -- why -- I don't know offhand.

02:21:45 1 Why would you -- why would you be talking about
02:21:48 2 stopping by or picking up with Mr. Karasarides?

02:21:51 3 **A** I mean, if it was a Sunday or Monday, I'm probably
02:21:54 4 asking what he wants me to do with the money.

02:21:55 5 **Q** What money?

02:21:56 6 **A** The split. The split.

02:22:06 7 MR. BEAN: Is it?

02:22:07 8 MR. HOWELL: Yeah.

02:22:08 9 MR. BEAN: What day?

02:22:10 10 I'd ask the Court to take notice that May 14, 2017,
02:22:14 11 was a Sunday.

02:22:24 12 Can we make that one smaller? And go to the next
02:22:30 13 page, please.

02:22:31 14 And can you please blow up from here to there
02:22:44 15 (indicating)?

16 BY MR. BEAN:

02:22:58 17 **Q** What are you talking -- what are you talking about
02:23:00 18 here when Mr. Karasarides says, "Okay. Don't forget Tom's
02:23:05 19 and for bills"?

02:23:10 20 **A** To make sure I take care of Tom and make sure the
02:23:13 21 bills are in for him to take care of it.

02:23:16 22 **Q** Tom who?

02:23:17 23 **A** Helmick. Helmick.

02:23:19 24 **Q** And bills for what?

02:23:20 25 **A** For the stores.

02:23:21 1 Q All right. And what's -- what's Tom's? What would
02:23:25 2 Tom get?

02:23:27 3 A His paycheck for the week.

02:23:28 4 Q So is this talking about money related to Redemption?

02:23:31 5 A Yes.

02:23:33 6 MR. BEAN: And we can make that one smaller?

02:23:39 7 And can we go to the next page, please?

02:23:43 8 And can we blow up this one (indicating)?

02:23:52 9 BY MR. BEAN:

02:23:53 10 Q Why are you texting Mr. Karasarides "Need two door
02:23:58 11 guys. Any help"?

02:23:59 12 A Because employees were hard to find.

02:24:01 13 Q And what did you need door guys for?

02:24:05 14 A To answer the door.

02:24:06 15 Q To where, your house?

02:24:09 16 A To the game rooms.

02:24:12 17 Q I mean, it sounded like that was a question. You tell
02:24:16 18 me.

02:24:17 19 A I followed up with, "to the game rooms."

02:24:21 20 MR. BEAN: Can we please go to Exhibit 333?

02:24:27 21 And can we blow up the phone numbers, please?

02:24:33 22 And I'll note the parties have stipulated on this
02:24:35 23 exhibit.

02:24:36 24 BY MR. BEAN:

02:24:37 25 Q I think earlier you testified you're aware of an

02:24:41 1 individual named Jay Spitale. Can you just remind us, who
02:24:44 2 is Jay Spitale?

02:24:45 3 **A** Young kid that came in and was doing the daily or the
02:24:49 4 weekly audits.

02:24:50 5 **Q** And did you exchange text messages with him?

02:24:55 6 **A** Did I personally? Probably, yeah.

02:24:59 7 MR. BEAN: Actually -- can you make this
02:25:00 8 smaller and can we look at the first text?

02:25:08 9 BY MR. BEAN:

02:25:08 10 **Q** Do you see where it says, "Jay, this is Kake"?

02:25:11 11 **A** Yeah. Yes.

02:25:12 12 **Q** Do you recognize that phone number as yours?

02:25:17 13 **A** No. No. No.

02:25:20 14 **Q** So if it's not your -- your number, how is it you?

02:25:26 15 **A** How is it me?

02:25:27 16 **Q** Yeah. How are you texting from a different number
02:25:30 17 that's not your number?

02:25:31 18 **A** Because I had a burner phone.

02:25:34 19 **Q** Why use a burner phone?

02:25:42 20 **A** Why use a burner phone? Because it was very cheap,
02:25:46 21 very easy to throw out the window if need be.

02:25:50 22 **Q** Why would you throw it out the window?

02:25:53 23 **A** Because if the feds ever came in, you'd have
02:25:56 24 incriminating witness that said "Jay, this is Kake" on it.

02:26:01 25 **Q** Did you know of anyone -- any of your business

02:26:03 1 partners to use a burner phone?

02:26:06 2 **A** From the business owners that I knew in the game room
02:26:09 3 business, every one of us had one.

02:26:11 4 **Q** How about Mr. Karasarides?

02:26:15 5 **A** I can't say that he had one or if it was on a plan, I
02:26:18 6 don't know. But like I just said, 90 percent of us had a
02:26:22 7 burner phone.

02:26:24 8 MR. BEAN: Can we please pull up Exhibit 330?
02:26:30 9 And we can keep it here. And we're going to look at the
02:26:39 10 top -- the 11-9 text until we get the -- to that -- let me
02:26:47 11 make it easier and just draw the line.

02:26:59 12 BY MR. BEAN:

02:26:59 13 **Q** What are you talking with here about -- what are you
02:27:02 14 talking about with Mr. DiPietro here?

02:27:23 15 **A** This was a machine that was in question for being
02:27:26 16 cheated.

02:27:28 17 **Q** And you see where it says here, "It showed on the tape
02:27:33 18 like 1100 in and out but only 100 was in the game"?

02:27:36 19 **A** Correct.

02:27:37 20 **Q** How would Mr. DiPietro know that?

02:27:41 21 **A** From the numbers from the computer.

02:27:48 22 MR. BEAN: All right. We can make that
02:27:51 23 smaller.

02:27:54 24 Can we go to the next page.

02:28:00 25 Thank you.

02:28:02 1 And can you blow up this one (indicating)?

02:28:10 2 BY MR. BEAN:

02:28:12 3 **Q** Can you please read the text from Mr. DiPietro?

02:28:16 4 **A** "Mike is going to call you. Whatever games you want
02:28:19 5 switched to slim, he will change. Sometimes it takes two or
02:28:22 6 three calls to figure a repair out. He says he worked with
02:28:27 7 you on that too. If he doesn't call or get you what you
02:28:31 8 want, let me know and I will address the issue further."

02:28:34 9 **Q** Who is Mike?

02:28:36 10 **A** Mr. Moneyppenny.

02:28:37 11 **Q** And just -- what's going on here?

02:28:42 12 **A** I believe I tried to get smaller machines into the
02:28:45 13 store because the big ones were taking up too much room, and
02:28:49 14 I could get more small slim lines than the fat ones.

02:28:52 15 **Q** All right.

02:28:52 16 MR. BEAN: And can we go to the last page of
02:28:55 17 this exhibit?

02:28:57 18 And can we blow up the second to last text?

02:29:01 19 BY MR. BEAN:

02:29:01 20 **Q** Earlier we looked at this text, but we didn't read the
02:29:04 21 whole thing. Can you read the whole thing for the jury,
02:29:06 22 please?

02:29:08 23 **A** "I tried calling you yesterday, but Mike was here -- I
02:29:13 24 tried calling you yesterday when Mike was here. I really
02:29:15 25 don't need anyone here -- I don't need anyone there if you

02:29:19 1 are going to be the one doing the breakdowns. I have
02:29:21 2 someone there to help us both. And in the past it helped us
02:29:25 3 catch a thief. I perceive you as one of the fewest
02:29:29 4 honest -- few honest people in the industry, so if you are
02:29:31 5 doing a breakdown and splitting things, I done need anyone
02:29:36 6 there. If you still want someone to help read this store,
02:29:42 7 Tristan can come Monday evening or possibly Mike Monday
02:29:44 8 morning. There is also other opportunities out there if you
02:29:49 9 want to partner up with some more. I will be out of town
02:29:54 10 the rest of the week, so please contact Tristan or Mike and
02:29:57 11 let us know how you want to go forward. I am taking an
02:30:03 12 accounting and legal class in Columbus this -- on how best
02:30:07 13 to do accounting work for the marijuana industry. Have a
02:30:10 14 great day, and may we all have a great week."

02:30:13 15 **Q** Did you ever partner up with Mr. DiPietro again?

02:30:19 16 **A** Partner up with DiPietro when?

02:30:22 17 **Q** In a business. The text referenced, you know, there's
02:30:25 18 also other opportunities out there if you want to partner up
02:30:27 19 some more. Did you?

02:30:28 20 **A** No.

02:30:30 21 MR. BEAN: We can take this exhibit down.

02:30:32 22 BY MR. BEAN:

02:30:32 23 **Q** After the search warrants in 2018, did you have any
02:30:37 24 discussions with Mr. Karasarides about the investigation?

02:30:44 25 **A** Yes.

02:30:44 1 Q And what were those discussions?

02:30:46 2 A Just talking about what's going on and what's not
02:30:48 3 going on.

02:30:49 4 Q And what -- you know, can you share what those
02:30:52 5 discussions were, please?

02:30:53 6 A I mean, I don't remember word for word. We
02:30:55 7 bullshitted.

02:30:57 8 Q Was there any -- did the employees at Skilled Shamrock
02:31:00 9 or Redemption have any understanding about if they needed
02:31:03 10 attorneys, whether those would be paid for?

02:31:07 11 A I mean, when you go first into the business, yeah,
02:31:09 12 it's always said everyone will be taken care of, but. . .

02:31:13 13 Q So who would take care of the attorneys for the
02:31:16 14 employees at Skilled Shamrock and Redemption?

02:31:17 15 A The owners.

02:31:19 16 Q And so, that would be yourself?

02:31:22 17 A Correct.

02:31:22 18 Q Mr. Karasarides, Mr. Dayton?

02:31:25 19 A Correct.

02:31:25 20 Q Mr. DiPietro at Skilled Shamrock?

02:31:33 21 A (No verbal response.)

02:31:33 22 MR. BEAN: All right. Nothing further.

02:31:36 23 THE COURT: Okay. Thank you.

02:31:37 24 Okay. Mr. Fedor?

02:31:39 25 MR. GOLDBERG: I think I'm going to go first

02:31:40 1 if that's okay, Your Honor.

02:31:41 2 THE COURT: Okay.

02:31:42 3 MR. GOLDBERG: Thank you.

02:31:47 4 - - - - -

02:31:47 5 CROSS-EXAMINATION OF JASON KACHNER

02:31:47 6 BY MR. GOLDBERG:

02:31:47 7 **Q** Good afternoon, sir. I have a few questions to ask
02:31:51 8 you.

02:31:52 9 You said -- well, you've been asked questions about
02:31:56 10 your plea agreement with the United States; correct?

02:31:59 11 **A** Yes, sir.

02:32:00 12 **Q** And part of your plea agreement is that you're going
02:32:02 13 to tell the truth to the government; right?

02:32:05 14 **A** Correct.

02:32:06 15 **Q** Does that mean you're going to tell the truth to me?

02:32:08 16 **A** Well, yeah.

02:32:09 17 **Q** Okay. So let's start with a lie you told in the first
02:32:16 18 5 minutes of your testimony.

02:32:16 19 **A** Okay.

02:32:17 20 **Q** Now, with regard to any of these establishments, the
02:32:33 21 owners split the income; correct?

02:32:34 22 **A** Correct.

02:32:36 23 **Q** Okay. And do you remember meeting with the government
02:32:39 24 where you specifically discussed Cafe 62?

02:32:44 25 **A** Okay.

02:32:45 1 Q Do you remember that?

02:32:46 2 A Sure.

02:32:47 3 Q Do you remember them asking you who -- where did the
02:32:50 4 money go from Cafe 62?

02:32:52 5 A Okay.

02:32:53 6 Q You do remember that?

02:32:55 7 A Them asking me where it went?

02:32:58 8 Q Yeah. Like who got the money.

02:32:58 9 A They asked me a lot of questions about a lot of game
02:33:02 10 rooms.

02:33:02 11 Q Who got the money?

02:33:03 12 A Who got the money from Cafe 62? Myself and Steve
02:33:07 13 Saris.

02:33:07 14 Q Right. Okay.

02:33:08 15 So you test -- so yourself and Steve Saris are the
02:33:11 16 owners of Cafe 62; correct?

02:33:16 17 A Correct.

02:33:16 18 Q Chris Karasarides had nothing to do with Cafe 62?

02:33:21 19 A Correct.

02:33:21 20 Q Okay. Don't you remember 5 or 6 hours ago telling the
02:33:24 21 jury that that was a business you had with Mr. Karasarides?

02:33:26 22 A Or he asked me if it was with anyone else, and I said
02:33:29 23 Steve Saris.

02:33:30 24 Q Well, but you -- you mentioned -- you said -- tell me
02:33:34 25 if you remember this.

02:33:34 1 **A** Okay.

02:33:35 2 **Q** Do you remember saying, I was in another business with
02:33:41 3 Mr. Karasarides, Cafe 62?

02:33:43 4 **A** Not true.

02:33:45 5 MR. BEAN: Object. And if Mr. Goldberg would
02:33:47 6 like to know what he said, we can go over the transcript.

02:33:49 7 THE COURT: Overruled. He can ask the
02:33:56 8 question.

02:33:56 9 I don't need a speech.

10 BY MR. GOLDBERG:

11 **Q** You don't remember saying that?

12 THE COURT: Excuse me. I don't need a speech.

13 (Court reporter interjection.)

02:33:58 14 THE COURT: Go ahead, Mike.

02:34:00 15 MR. GOLDBERG: I'm sorry.

16 BY MR. GOLDBERG:

02:34:00 17 **Q** You don't remember saying that in this room?

02:34:02 18 **A** I believe the question was asked, did you own any
02:34:04 19 other game rooms, and he stated maybe Virus or Steve Saris
02:34:09 20 for Cafe 62.

02:34:12 21 **Q** Okay. You didn't -- you're saying you don't remember
02:34:13 22 saying that Mr. Karasarides was a partner in Cafe 62?

02:34:17 23 **A** Chris Kare had absolutely nothing do with Cafe 62.

02:34:20 24 **Q** So if you would have said that, it would have been a
02:34:22 25 lie; correct?

02:34:24 1 **A** If I would have said what?

02:34:25 2 **Q** That Chris Karasarides was a partner in Cafe 62?

02:34:29 3 **A** Why would I say that when I know he wasn't?

02:34:31 4 **Q** That's my question. You don't have any answer to
02:34:35 5 that?

02:34:35 6 **A** Okay. Maybe you misunderstood it.

02:34:37 7 **Q** Maybe you misspoke. Would you --

02:34:40 8 **A** Or maybe --

02:34:41 9 **Q** Could you have misspoken, do you think?

02:34:43 10 **A** Maybe you misspoken.

02:34:44 11 **Q** Do you think you could have misspoken?

02:34:45 12 Let me back up.

02:34:46 13 Now, when you went -- you first made contact with the
02:34:50 14 government, was that in 2018, 2019, 2020? Do you remember
02:34:59 15 when you called them?

02:35:01 16 **A** First off, I never called them.

02:35:03 17 **Q** You never called them to get your property back?

02:35:06 18 **A** To get my property back or Mr. --

02:35:09 19 **Q** Did you call Homeland Security at some point to get
02:35:14 20 your property back that was seized in the search of Cafe 62
02:35:18 21 in 2019?

02:35:20 22 **A** What property, sir?

02:35:22 23 **Q** Computer, phones.

02:35:24 24 **A** Did I call them to get my property back?

02:35:27 25 **Q** Yes.

1 **A** Yes.

02:35:29 2 **Q** I'll give you a hint.

02:35:31 3 **A** When you stated the computers and stuff, yes. And I
02:35:33 4 actually met Mr. Agent Paul, I think it is, and he gave me
02:35:37 5 my equipment back.

02:35:38 6 **Q** Right. Very good. Okay.

02:35:40 7 And that was in 1099; right?

02:35:41 8 **A** Not a hundred percent sure.

02:35:43 9 **Q** Well, would it refresh your memory if I showed you
02:35:45 10 notes from that --

02:35:46 11 **A** Well, that's what Mr. Bean did on the computer here,
02:35:48 12 so if you have something, yeah, that would be fine.

02:35:50 13 **Q** Yeah.

02:35:51 14 MR. GOLDBERG: May I approach the witness,
02:35:52 15 Your Honor?

02:35:53 16 THE COURT: You may.

02:35:53 17 MR. GOLDBERG: Okay.

02:35:54 18 You don't have to read this out loud, but you could
02:35:57 19 just look at the top of it and look at the substance of it.

02:36:04 20 THE WITNESS: Okay.

02:36:05 21 BY MR. GOLDBERG:

02:36:06 22 **Q** Okay. Does that refresh your memory as to the date?

02:36:09 23 **A** 9-29 -- September 30th, 2019.

02:36:13 24 **Q** Okay. I'll take that back.

02:36:15 25 Does that seem about right?

02:36:16 1 **A** That's -- yeah. That's what it says.

02:36:18 2 Did I meet him on that day? I don't -- I don't

02:36:22 3 remember --

02:36:22 4 **Q** Well, let me ask you this.

02:36:24 5 **A** If that's the paperwork that the agent had to fill out

02:36:26 6 for the day that he met me, then that's the day that I met

02:36:28 7 him there.

02:36:28 8 **Q** Okay. So was that the first time you spoke to anybody

02:36:32 9 regarding this investigation?

02:36:37 10 **A** To my knowledge, yes.

02:36:37 11 **Q** Okay. Now, you were represented by counsel at that

02:36:40 12 time?

02:36:40 13 **A** I believe I was represented by Mr. Petitti.

02:36:48 14 **Q** You don't remember his name?

02:36:51 15 **A** Mr. Rick Petitti?

02:36:52 16 **Q** Petitti. Okay.

02:36:55 17 All right. So, do you remember when you called and

02:36:59 18 spoke to Mr. Paul, him telling you, hey, come on down and

02:37:04 19 talk to us and we can help you out?

02:37:06 20 Do you remember that?

02:37:09 21 **A** Do I remember him saying come and talk to us and we

02:37:12 22 can help you out?

02:37:12 23 **Q** Yeah, yep.

02:37:15 24 You asked him when the investigation --

02:37:17 25 **A** Can I answer your question, sir?

02:37:19 1 Q Sure.

02:37:19 2 A I didn't speak to the federal agents after I got with
02:37:22 3 Mr. Scott Lucas and Sam Lauricia.

02:37:25 4 MR. GOLDBERG: Okay. I need to reapproach,
02:37:27 5 Your Honor, if you don't mind.

02:37:28 6 THE COURT: Go ahead.

02:37:29 7 BY MR. GOLDBERG:

02:37:29 8 Q Okay. Look at Paragraph 3 of the same memo.

02:37:43 9 A Okay.

02:37:43 10 Q Okay.

02:37:44 11 A Says he's going to take --

02:37:46 12 Q Well, let me ask you a question.

02:37:48 13 Does it note that you asked a question of him about
02:37:50 14 when the investigation was going to be resolved?

02:37:55 15 A So you want me to read this before I answer that?

02:37:57 16 Q I just want a --

02:37:58 17 A Well, I got to read this before I'm going to answer
18 that, sir.

19 Q Doesn't -- doesn't it --

20 A Give me a second here, and I'm going to read this
21 whole thing.

22 (Court reporter interruption.)

23 THE COURT: That's for sure.

24 And Mike, you're interrupting him. Let him read it.

02:39:19 25 (Brief pause in proceedings.)

02:39:19 1 THE WITNESS: Okay. Now, what was your
02:39:21 2 question, sir?

02:39:23 3 BY MR. GOLDBERG:

02:39:24 4 Q Did you ask the agent when the investigation was going
02:39:27 5 to be resolved?

02:39:29 6 A I did.

02:39:35 7 Q Did he inform you that the items would be returned at
02:39:39 8 the conclusion of the investigation?

02:39:42 9 A Correct.

02:39:43 10 Q Did he inform you that if you wanted to expedite the
02:39:50 11 investigation, that you need to speak with your lawyer and
02:39:53 12 come speak to the case agents?

02:39:55 13 A Yeah, with Rick Petitti. But like I stated before,
02:39:59 14 Rick Petitti led me down a path of destruction, and I never
02:40:04 15 even went with him. And the computers that are in that --

02:40:04 16 Q Okay. That was a yes or no question.

02:40:06 17 A But the --

02:40:07 18 Q Your answer is yes.

02:40:07 19 THE COURT: Mike, Mike, you keep interrupting
02:40:09 20 him.

02:40:10 21 MR. GOLDBERG: I asked a yes or no question.

02:40:12 22 THE COURT: Well, but he can answer the way he
02:40:14 23 thinks is appropriate.

24 MR. GOLDBERG: Okay.

02:40:15 25 THE WITNESS: The items that are in pertained

02:40:17 1 in there are the items that were for a car lot, for titles
02:40:20 2 to cars that I was trying to get out of the Premos Used Cars
02:40:24 3 lot because they canceled my license.

02:40:26 4 MR. GOLDBERG: Okay.

02:40:26 5 BY MR. GOLDBERG:

02:40:27 6 Q Okay. And that's what your lawyer, Mr. Petitti, was
02:40:30 7 helping you with?

02:40:31 8 A Sir, Mr. Petitti didn't help me with anything. I did
02:40:34 9 it myself.

02:40:35 10 Q Well, okay. You just said he led you down a path of
02:40:37 11 destruction.

02:40:38 12 A Correct.

02:40:39 13 Q So, this whole thing is your lawyer's fault?

02:40:43 14 A What whole thing?

02:40:44 15 Q Well, that we're in court here today, that you're
02:40:47 16 indicted, that --

02:40:48 17 A Is that your theory?

02:40:50 18 Q This is your lawyer's fault; right?

02:40:52 19 A That's your theory?

02:40:53 20 Q I'm asking you, is it your lawyer's fault?

02:40:55 21 A No. I'm represented by Mr. Lucas and Mr. Lauricia
02:40:59 22 now.

02:40:59 23 Q Okay. So what do you mean path of destruction?

02:41:02 24 A Well, one, he had me sign a paperwork to get my money
02:41:05 25 back that he was going to receive 20 percent of. You don't

02:41:07 1 find that to be kind of messed up, sir?

02:41:10 2 **Q** Sign -- get your -- get the money back?

02:41:12 3 **A** It was 240,000 that was at the locker.

02:41:14 4 **Q** Okay. So did you get the 240,000 back from the
02:41:18 5 locker?

02:41:19 6 **A** No. My lawyers that are representing me now told me
02:41:22 7 that that was the dumbest thing ever and that we need to --
02:41:25 8 I believe we might have filed -- I'm not a hundred percent,
02:41:28 9 but we might have filed paperwork stating that I didn't want
02:41:30 10 any of that back.

02:41:31 11 **Q** Okay. All right. So, you brought it up, \$240,000
02:41:36 12 taken out of the YMCA locker; right?

02:41:40 13 **A** Correct.

02:41:40 14 **Q** Didn't you tell the U.S. Attorney, the Homeland
02:41:45 15 Security that that was money that your wife earned as a
02:41:47 16 stripper?

02:41:49 17 **A** I told them that?

02:41:50 18 **Q** Yeah.

02:41:51 19 **A** Negative.

02:41:51 20 **Q** Did your wife tell them that?

02:41:53 21 **A** Did my wife have a talk with them?

02:41:55 22 **Q** Did your wife tell them that it was her stripper
02:41:57 23 money?

02:41:57 24 **A** Is she allowed to talk to me about things pertaining
02:42:00 25 to the case?

02:42:01 1 Q Did she tell the U.S. Attorney or the Homeland
02:42:04 2 Security agents that that was stripper money?

02:42:05 3 A Sir, you're asking me questions that she was in talks
02:42:10 4 with the federal government, not myself. I'm not allowed to
02:42:13 5 be there. I'm not allowed to have a lawyer represent her.

02:42:16 6 Q Did she tell the government that that was her money?

02:42:22 7 A How do you want me to answer a question?

02:42:24 8 Q I want you to answer truthfully.

02:42:26 9 A Okay. Well, then bring my wife back from prison. She
02:42:29 10 can answer it.

02:42:29 11 Q I want you to answer truthfully.

02:42:30 12 A Okay. I'm going to answer truthfully, just like I
02:42:33 13 just told you. I don't know. And you keep asking it.

02:42:34 14 Q Okay. So then what did you say to the government
02:42:36 15 about that money when you filed a petition to get it back?

02:42:40 16 A I didn't say anything to the government about it.

02:42:44 17 Again, I just told you a minute ago, Rick Petitti had
02:42:47 18 me sign that because he was getting 20 percent of it.

02:42:49 19 Q Do you just sign anything that's put in front of you?

02:42:51 20 A Boy, I tell you what, we just did like two and a half
02:42:54 21 hours of taxes, and I just told you guys that all I did was
02:42:58 22 sign.

02:42:58 23 Q Okay. But now we're talking about something else.

02:43:00 24 We're talking about a petition to get money back --

02:43:02 25 A Correct.

02:43:03 1 Q -- that was seized; right?

02:43:04 2 A Correct.

02:43:04 3 Q You just signed it; you didn't look at it?

02:43:06 4 A Correct.

02:43:07 5 Q Okay. What about your plea agreement? Did you read
02:43:09 6 that?

02:43:10 7 A My lawyers went over it with me, sir.

02:43:13 8 Q Okay. Okay. We're going to come back to that. I
02:43:17 9 want to stay on this.

02:43:17 10 Your wife's in prison?

02:43:18 11 A Correct.

02:43:19 12 Q For this -- for these game rooms?

02:43:24 13 A Correct.

02:43:24 14 Q Okay. And how much time is she serving?

02:43:28 15 A 2 years.

02:43:29 16 Q And how much time does she have left?

02:43:31 17 A Approximately 4 months.

02:43:33 18 Q Okay. So, at this point, she's going to be out in
02:43:38 19 May, June?

02:43:38 20 A April.

02:43:39 21 Q Something like that.

02:43:40 22 Okay. And is your cooperation and your testimony here
02:43:45 23 today and your assistance in this investigation aimed at
02:43:50 24 helping your wife get out earlier?

02:43:52 25 A Are you serious right now?

02:43:53 1 Q Of course I'm serious.

02:43:54 2 A Okay. Well, your question is retarded.

02:43:56 3 Q All right. Well --

02:43:57 4 A What does -- let me ask you a question, sir.

02:43:59 5 Q It's my job to ask the questions, and it's your job to
02:44:02 6 answers?

02:44:02 7 A Okay. Well, what does she have to do with me sitting
02:44:04 8 on the stand?

02:44:05 9 Q Well, you're getting consideration --

02:44:07 10 A If she got sentenced to 2 years, what would me sitting
02:44:11 11 here doing affect her ability to get out early?

02:44:13 12 Q You tell me.

02:44:13 13 A Well, I just answered it for you.

02:44:15 14 Q Okay. Okay. And your answer is --

02:44:18 15 A She already went through court and did her trial, so I
02:44:21 16 don't understand what she's being brought up for.

02:44:23 17 Q Well, you're still married to her; correct?

02:44:25 18 A I am. I am.

02:44:26 19 Q Okay. And you'd like to help her in any way you can;
02:44:30 20 correct?

02:44:30 21 A Absolutely.

02:44:33 22 Q All right. Now, let's talk about some other money.

02:44:36 23 A Okay.

02:44:36 24 Q You had money in a storage locker; right?

02:44:38 25 A Okay.

02:44:39 1 Q Is that a "yes"?

02:44:40 2 A Yes.

02:44:41 3 Q All right. And you discussed that with the U.S.
02:44:45 4 Attorney and the various agents you talked to during the
02:44:48 5 course of this investigation; correct?

02:44:50 6 A Correct.

02:44:51 7 Q Okay. And that was about a million dollars; isn't
02:44:54 8 that correct?

02:44:55 9 A Undisclosed amount. Not a hundred percent sure what
02:44:58 10 it was.

02:44:58 11 Q Well, it wasn't much less than a million if it was
02:45:02 12 less than a million; correct?

02:45:03 13 A How would you know if I don't know?

02:45:05 14 Q Well, it's your money. Is it a million dollars or
02:45:08 15 not?

02:45:08 16 A I don't know.

02:45:09 17 Q Well, when you were asked this question by the agents,
02:45:11 18 you said, well, you got to talk to your lawyers.

02:45:14 19 Did you talk to your lawyers about that?

02:45:15 20 A Well, that's correct. I talked to my lawyers. Did
02:45:17 21 I -- did we come up with a number?

02:45:20 22 Q I'm asking you. What was the number?

02:45:24 23 A I don't know what the amount was that was stolen from
02:45:28 24 the locker.

02:45:29 25 Q So it could have been more than -- it could have been

02:45:31 1 more than a million dollars really; right?

02:45:36 2 **A** It's whatever you think it was, sir.

02:45:37 3 **Q** No. I'm asking you.

02:45:38 4 It could be more than a million; right?

02:45:40 5 **A** How many times are you going to ask me when I tell you

02:45:43 6 I don't know the amount that was taken from there?

02:45:45 7 **Q** So the amount of cash that you lost from theft and

02:45:53 8 from what the government seized from the YMCA is at least

02:45:57 9 one million or could be \$1,248,000; correct?

02:46:01 10 **A** Correct.

02:46:03 11 **Q** Okay. And all of that would have come from your work

02:46:07 12 in this game room -- work in these game rooms?

02:46:12 13 **A** It would have been proceeds from the game rooms,

02:46:14 14 correct.

02:46:14 15 **Q** Proceeds from the game rooms. Okay.

02:46:16 16 Now, you've met with the government six, seven times.

02:46:25 17 Do you have a number?

02:46:26 18 **A** I believe it was six times.

02:46:27 19 **Q** Six times?

02:46:28 20 And your last time was in December, right after

02:46:30 21 Christmas?

02:46:36 22 **A** No.

02:46:37 23 **Q** Oh, okay. So when was the last time you met with

02:46:41 24 them?

02:46:41 25 **A** January I believe it was.

02:46:41 1 Q Okay. All right. So in December, were you shown
02:46:47 2 these spreadsheets that you testified here to today?

02:46:51 3 A Correct.

02:46:52 4 Q And was this the only time you were shown the
02:46:54 5 spreadsheets?

02:46:57 6 A You mean throughout the whole time of meeting with
02:46:59 7 them?

02:47:00 8 Q Well, all of them together and matched up individual
02:47:04 9 months to --

02:47:06 10 A We've reviewed those three or four -- three times, I
02:47:10 11 believe.

02:47:10 12 Q Okay. But I'm talking about -- now, you were shown a
02:47:13 13 summary of all the spreadsheets; right? Remember testifying
02:47:17 14 to that?

02:47:18 15 A I was shown a lot of documents, sir.

02:47:20 16 Q Okay. You were shown -- well. . .

02:47:31 17 MR. GOLDBERG: Can you bring up -- I'm
02:47:33 18 sorry -- Government's 436, please? It will be the summary,
02:47:59 19 I believe.

20 BY MR. GOLDBERG:

02:48:00 21 Q Now, you were shown this spreadsheet during your
02:48:04 22 direct testimony, Government's 436, correct?

02:48:09 23 A Yes, sir.

02:48:09 24 Q Okay. And you testified as to this matching the
02:48:12 25 individual spreadsheets for the individual months; correct?

02:48:19 1 **A** The totals -- the totals for the individuals per year,
02:48:23 2 correct. Is that what you're saying?

02:48:25 3 **Q** Yeah.

02:48:26 4 **A** Yes.

02:48:26 5 **Q** Now, did you go through all 450 months and total them
02:48:31 6 up and get these numbers?

02:48:33 7 **A** No.

02:48:34 8 **Q** You went by what the government told you; right?

02:48:42 9 **A** No. They didn't tell me.

02:48:44 10 **Q** All right. You went by the numbers the government
02:48:47 11 presented you?

02:48:47 12 **A** Correct.

02:48:48 13 **Q** All right. So it's not telling you, but they showed
02:48:53 14 you these, they're like, this is the totals, right? And you
02:48:55 15 said correct?

02:48:56 16 **A** From the thumb drives from Ron DiPietro's computers
02:48:59 17 that matched these numbers.

02:49:00 18 **Q** But did you particular -- personally add these up and
02:49:04 19 get these numbers?

02:49:05 20 **A** No.

02:49:06 21 **Q** You took the government's word for it; right? They
02:49:11 22 showed you the numbers and you said, yeah, that looks right?

02:49:15 23 **A** Have you looked at a computer?

02:49:16 24 **Q** I'm asking you a question. Did you add the numbers up
02:49:19 25 yourself?

02:49:21 1 **A** No.

02:49:23 2 **Q** So you basically just ratified what the government
02:49:28 3 did; right?

02:49:29 4 **A** No.

02:49:30 5 **Q** Well, you just said you didn't add it up. So what did
02:49:33 6 you do to make sure these numbers were correct? Tell me
02:49:38 7 everything you did --

02:49:39 8 **A** I looked at the spreadsheets.

02:49:40 9 **Q** I'm in the middle of a question.

02:49:43 10 Tell me everything you did to make sure these numbers
02:49:45 11 were correct that you testified to here today in court.

02:49:48 12 **A** Looked at all the spreadsheets that were presented.
02:49:52 13 Did I add them up? No. But they're right there in bold
02:49:55 14 letters. I mean, you go back and look through the thumb
02:49:59 15 drives, the numbers are right there in your face.

02:50:01 16 **Q** Did you add them up? You don't know that this is
02:50:03 17 correct math.

02:50:04 18 **A** You keep asking the same repetitive question.

02:50:08 19 **Q** And you keep giving the same non-answer.

02:50:11 20 Did you add these up?

02:50:12 21 **A** Pretty sure I've answered that three times. No.

02:50:15 22 **Q** Okay. Did you just go with what the government
02:50:18 23 presented to you?

02:50:20 24 **A** I reviewed the numbers that they asked me to review on
02:50:23 25 a thumb drive that came from Mr. DiPietro's computers.

02:50:30 1 That's what I did. That's what I was asked to do. I wasn't
02:50:33 2 asked to take every column, add them up, subtract them and
02:50:37 3 do everything else. If I had been asked that, I would have
02:50:40 4 went through and did it with a calculator and brought you
02:50:42 5 notes.

02:50:43 6 **Q** Right. Yet, you were asked in court today if these
02:50:46 7 numbers are an accurate summary of all those spreadsheets;
02:50:50 8 right?

02:50:51 9 **A** Correct.

02:50:51 10 **Q** And you answered yes; right?

02:50:55 11 **A** Yes.

02:50:56 12 **Q** But you never added them up, so you don't really know;
02:50:59 13 correct?

02:51:00 14 **A** Yes.

02:51:02 15 **Q** Okay. So, you got a plea agreement in this case, and
02:51:06 16 you had a lot of time to work with your lawyers in
02:51:13 17 concluding that deal; correct?

02:51:15 18 **A** Correct.

02:51:16 19 **Q** All right. So, I assume that in the course of
02:51:21 20 preparing and coming up with that deal, you knew what you
02:51:25 21 were facing in this case. Isn't that right?

02:51:28 22 **A** As in how much time I was facing?

02:51:31 23 **Q** Yeah.

02:51:32 24 **A** Yeah.

02:51:32 25 **Q** Yeah. Prison time.

02:51:33 1 **A** Correct.

02:51:34 2 **Q** All right. So, had the government -- well, let me ask

02:51:40 3 you this: Do you know what the statutory maximum is?

02:51:42 4 You've testified to the two counts that you did plead to

02:51:47 5 were 5 each; right?

02:51:48 6 **A** 5 years each?

02:51:50 7 **Q** 5 years each.

02:51:51 8 **A** Correct.

02:51:52 9 **Q** Right?

02:51:52 10 **A** Yes.

02:51:53 11 **Q** And you pled to -- and there was, I believe, five

02:51:59 12 counts dropped that all carried another 5 years each;

02:52:02 13 correct?

02:52:03 14 **A** Okay.

02:52:04 15 **Q** So that's 35 years; right?

02:52:06 16 **A** Okay.

02:52:07 17 **Q** All right. Now, you were charged with subscribing a

02:52:14 18 false tax return; right?

02:52:15 19 **A** Correct.

02:52:15 20 **Q** You could have been charged with tax evasion. Isn't

02:52:22 21 that right?

02:52:22 22 **A** I'm sure I could have been charged with a lot of other

02:52:24 23 things.

02:52:25 24 **Q** Right. But you weren't because you're cooperating;

02:52:29 25 correct?

02:52:29 1 **A** No.

02:52:31 2 **Q** Well, I mean, you're getting something for your
02:52:35 3 testimony and for your assistance in this case. Isn't that
02:52:37 4 correct?

02:52:38 5 **A** That's if Mr. -- if Judge Nugent agrees to that.

02:52:42 6 **Q** Well, I mean, you even said, your expectation in one
02:52:46 7 of your interviews with the agents is that you're going to
02:52:48 8 get 2 years; right?

02:52:51 9 **A** I don't remember ever saying that.

02:52:53 10 **Q** Okay.

02:52:53 11 **A** Because to my knowledge, I'm looking at 3 to 5, sir.

02:52:56 12 **Q** Okay. In your last interview with the agents -- do
02:53:01 13 you remember meeting with them last December?

02:53:03 14 **A** I met with the agents a lot of times, sir.

02:53:06 15 **Q** I'm sorry?

02:53:06 16 **A** I met with the agents a lot of times.

02:53:09 17 **Q** Okay. Well, give me a moment and I will find the
02:53:13 18 paperwork.

02:53:26 19 (Brief pause in proceedings.)

02:53:32 20 BY MR. GOLDBERG:

02:53:33 21 **Q** Well, while I'm looking for this, when you first met
02:53:35 22 with the agents, were they interested in talking about
02:53:42 23 Christos Karasarides?

02:53:45 24 **A** Were the agents?

02:53:47 25 **Q** The agents, yes.

02:53:51 1 **A** When I met with the agents the first, we did a talk
02:53:55 2 about everything.

02:53:57 3 **Q** Okay. Were they focused on Mr. Karasarides?

02:54:02 4 **A** They were focused on the whole case.

02:54:04 5 **Q** Okay.

02:54:07 6 MR. GOLDBERG: May I approach the witness,
02:54:08 7 Your Honor?

02:54:08 8 THE COURT: You may.

02:54:10 9 MR. GOLDBERG: I'm going to show you a memo
02:54:18 10 from November 1st of 2021, and if you can just refresh your
02:54:24 11 memory. Paragraph 25.

02:54:37 12 (Brief pause in proceedings.)

02:54:38 13 THE WITNESS: You want me to read this?

02:54:39 14 MR. GOLDBERG: No. Just want to refresh your
02:54:41 15 memory.

02:54:42 16 THE WITNESS: Where is this from? What is
02:54:45 17 this from?

02:54:46 18 MR. GOLDBERG: That is a memo of your meeting
02:54:48 19 with the agents in November of 2021.

20 BY MR. GOLDBERG:

02:54:52 21 **Q** Does it refresh your memory as to what you were
02:54:55 22 talking to them about in terms of time to be served in this
02:54:59 23 case?

02:55:01 24 **A** I'm pretty sure that's what I said that I would like
02:55:03 25 to serve.

02:55:04 1 Q Okay. 2 to 3 years; right?

02:55:06 2 A Correct.

02:55:06 3 Q Okay. Yet, you were facing -- did you discuss with
02:55:10 4 your lawyers what you were facing?

02:55:12 5 A To start?

02:55:13 6 Q You knew what you were facing; correct?

02:55:16 7 A Sir, I'm pretty sure you've been doing this quite a
02:55:20 8 long time. That when you get charged, they charge you with
02:55:23 9 the max.

02:55:23 10 Q I'm asking you, do you know what you were facing
02:55:26 11 before you made a deal?

02:55:31 12 A Who did I make a deal with?

02:55:33 13 Q You made a deal with the government.

02:55:35 14 A That I possibly could get a 5-point reduction;
02:55:38 15 correct?

02:55:38 16 Q I'm asking you, before you made the deal, do you know
02:55:41 17 how much time you were facing?

02:55:43 18 A I believe when I spoke with the prosecution or the
02:55:49 19 government, excuse me, as you put it, I was looking at 8 to
02:55:53 20 11 years.

02:55:54 21 Q Okay. Fair enough. I appreciate it.

02:55:58 22 8 to 11, and now you're looking at 2 or 3, depending
02:56:01 23 if the judge gives you your 5K?

02:56:04 24 A Where do you keep coming up with this 2 to 3, sir?

02:56:07 25 Q It's in your words.

02:56:08 1 **A** My words that I stated that that's what I would like
02:56:11 2 to serve?

02:56:11 3 **Q** Let's just --

02:56:12 4 **A** But my indictment here or my case is for 3 to 5. 36
02:56:17 5 to 60 months, sir.

02:56:19 6 **Q** Okay. Well, we can agree that's half of what you were
02:56:22 7 looking at originally; right?

02:56:26 8 **A** Yes.

02:56:27 9 **Q** Okay. Now, we can also agree that for Redemption and
02:56:33 10 Shamrock, you were running the shows; right?

02:56:35 11 **A** Correct. Correct.

02:56:36 12 **Q** And you had these employees, more than five. You've
02:56:40 13 already been asked this; correct?

02:56:42 14 **A** Yes.

02:56:43 15 **Q** And you could hire or fire them, you could raise --
02:56:46 16 give them raises if you wanted to; right?

02:56:48 17 **A** Who did that?

02:56:50 18 **Q** You. You could do that.

02:56:51 19 **A** No.

02:56:52 20 **Q** Did you tell them what to do?

02:56:54 21 **A** Did I tell them what to do? Yes.

02:56:57 22 **Q** Yeah.

02:56:57 23 **A** But did I -- did I reach to other -- the other owners
02:57:01 24 to establish --

02:57:03 25 **Q** I'm asking whether on the ground at the shops, at the

02:57:06 1 two stores, did you have authority over the workers there?

02:57:12 2 **A** Well, yeah, I'm -- well, yeah -- yes, sir, I'm an
02:57:15 3 owner.

02:57:16 4 **Q** Okay. And all of those people that were working at
02:57:21 5 the stores knew that there was cash being paid?

02:57:28 6 **A** Correct.

02:57:29 7 **Q** Okay. So you discussed with your lawyers, or the
02:57:31 8 people you trust, the fact that supervising more than five
02:57:37 9 people gets you a 4-point bump on your guidelines.

02:57:42 10 Are you aware of that?

02:57:43 11 **A** No, sir.

02:57:45 12 **Q** So, in your plea agreement that we've seen, the
02:57:50 13 government has brought up in evidence --

02:58:15 14 MR. GOLDBERG: Plea agreement is 625?

02:58:16 15 Can you bring up 625, please?

02:58:19 16 MR. BEAN: That's the cooperation.

02:58:19 17 MS. WELCH: The cooperation or the plea?

02:58:20 18 MR. GOLDBERG: Oh, let's do the plea first.

02:58:29 19 Okay. And let's advance this a page or two.

02:58:41 20 Okay. Go -- keep going.

02:58:44 21 Keep going.

02:58:49 22 Keep going.

02:58:51 23 BY MR. GOLDBERG:

02:58:51 24 **Q** Okay. Now, would you agree with me that we're looking
02:58:54 25 at Page -- 624, Page 5. That is the guideline calculation

02:58:59 1 for your plea agreement?

02:59:02 2 **A** Yes.

02:59:03 3 **Q** Okay. So first of all, the government puts you at a
02:59:11 4 tax loss of 500,000 to 1.5 million; correct?

02:59:15 5 **A** Correct.

02:59:15 6 **Q** Okay.

02:59:20 7 MR. GOLDBERG: If we can go ahead to Page --
02:59:30 8 Page 13, please.

02:59:36 9 BY MR. GOLDBERG:

02:59:37 10 **Q** Now, you look at Paragraph (ff), the government -- at
02:59:52 11 the last line of (ff), total foreseeable loss in this
02:59:55 12 conspiracy -- in your conspiracies would have been
02:59:58 13 2.2 million.

02:59:59 14 Do you remember that being said in court and in this
03:00:02 15 agreement?

03:00:03 16 **A** I see it in front of the -- written in the agreement.

03:00:06 17 **Q** Okay. Well, this was read in court when you plead
03:00:08 18 guilty; right?

03:00:09 19 **A** Okay.

03:00:10 20 **Q** Well, was it?

03:00:12 21 **A** Yeah.

03:00:13 22 **Q** Every word of it.

03:00:14 23 Are these your initials down in the corner?

03:00:17 24 **A** Yes.

03:00:18 25 **Q** Okay. So, you'll agree with me that 1.5 million is

03:00:24 1 less than 2.2 million; right?

03:00:26 2 **A** When this started it was 4.5 million, wasn't it?

03:00:29 3 **Q** Right. Okay. So they came down from 4.5 million in
03:00:32 4 tax loss to half a million to a million and a half; right?

03:00:37 5 **A** Correct. Divide that by three and you come up with
03:00:40 6 what?

03:00:40 7 **Q** And that was part of your plea agreement; right?

03:00:42 8 **A** You divide that number by three, you come up with
03:00:45 9 what?

03:00:45 10 **Q** I'm asking you if that was part of your plea
03:00:47 11 agreement.

03:00:47 12 **A** I'm back to the last question you --

03:00:49 13 **Q** You can answer the question or you can say you don't
03:00:51 14 want to answer it.

03:00:51 15 **A** Sir, you asked me about the 4.5, and then you said it
03:00:54 16 got dropped down to 1.3. And you said a question after
17 that.

03:00:57 18 Can I answer the question about the 1.3, sir?

03:00:58 19 **Q** I'm asking you, you originally were charged with 4.5;
03:01:02 20 correct?

03:01:02 21 **A** Correct. But you got to divide that by --

03:01:04 22 **Q** And then your plea agreement lets you plead guilty to
03:01:07 23 half a million to a million and a half in tax loss; correct?

03:01:13 24 **A** You want me to answer that, or are you going to
03:01:15 25 continue to ask me questions?

03:01:17 1 Q I want a yes or no.

03:01:17 2 A Yes, per the paperwork, it says 1.3 million.

03:01:21 3 Q And that is a substantial reduction in your
03:01:22 4 guidelines; correct?

03:01:23 5 A If you take the 4 --

03:01:25 6 Q It's a substantial reduction in your guidelines;
03:01:28 7 correct?

03:01:28 8 A Sir --

03:01:30 9 Q You can't --

03:01:31 10 A What part of 4.3 million divided by three owners do
03:01:35 11 you not understand?

03:01:36 12 Q Well, I'm wondering what part of my questions you
03:01:38 13 don't understand.

03:01:40 14 MR. GOLDBERG: Your Honor, can I have the
03:01:41 15 witness admonished to answer my questions and not question
03:01:43 16 me back?

03:01:43 17 THE COURT: Well, I hate to say it, I think
03:01:45 18 he's trying to.

03:01:46 19 MR. GOLDBERG: Well. . .

03:01:49 20 BY MR. GOLDBERG:

03:01:49 21 Q Did you get a reduction in the amount of loss as part
03:01:51 22 of your --

03:01:52 23 THE COURT: Mr. Goldberg, try to ask one
03:01:53 24 question at a time.

03:01:54 25 THE WITNESS: Thank you.

03:01:55 1 Sir, to answer that question, that 4.5 million or 4.3,
03:01:59 2 whatever it was, is to be divided by three owners. The
03:02:03 3 reduction to 1.3 million -- 500,000 to 1.3 million I'm
03:02:07 4 pretty sure is including the employment tax as well.
03:02:11 5 Correct? That gets it to the 1.3? But if you take that big
03:02:14 6 number and divide it by three, you're pretty dang close to
03:02:17 7 where it should be; correct?

03:02:18 8 BY MR. GOLDBERG:

03:02:18 9 **Q** Well, I'm not answering the questions. You're
03:02:21 10 supposed to be answering them.

03:02:22 11 So your answer is, that's what it should have been,
03:02:24 12 should have been reduced from 4.5 down to what you pled to?

03:02:28 13 **A** The number that the government came up with needed to
03:02:31 14 be divided by three. I'm sorry that some people don't want
03:02:34 15 to take ownership of what they did.

03:02:36 16 **Q** Okay. So the answer is yes, they reduced it down --
03:02:41 17 they gave you a reduction of the loss amount. It's that
03:02:44 18 simple.

03:02:45 19 **A** Does it state -- does it state in here that it's a
03:02:48 20 reduction?

03:02:50 21 **Q** Okay. Paragraph (ff) that's up on the screen says
03:02:55 22 that the foreseeable tax loss in the -- in his -- in his,
03:03:00 23 you, conspiracies is in excess of 2.2 million.

03:03:04 24 That's not about anybody else. That's about you.
03:03:08 25 Right?

03:03:08 1 **A** Correct. But your question is --

03:03:12 2 **Q** My question is --

03:03:13 3 **A** -- am supposed to be on the hook for that. When I
03:03:15 4 said yeah, I'll be on the hook for the 1.3, but that was --
03:03:18 5 the big number was divided by three people.

03:03:20 6 **Q** Does your plea agreement not say you're responsible
03:03:24 7 for a foreseeable amount of 4.2 million?

03:03:28 8 **A** Yes.

03:03:28 9 **Q** Does it allow you to plead to under 1.5 million?

03:03:32 10 **A** Does it allow me to plead to under 1. --

03:03:34 11 **Q** Did you plead to under 1.5 million in tax loss?

03:03:37 12 **A** I believe it was 1.3, wasn't it?

03:03:39 13 **Q** It was under 1.5; correct?

03:03:41 14 **A** Yes.

03:03:42 15 **Q** Okay. And your understanding is that reduces your
03:03:47 16 guideline exposure as well; right?

03:03:49 17 **A** It brings it down, yes.

03:03:51 18 **Q** Okay. Thank you.

03:03:54 19 All right.

03:03:54 20 THE COURT: All right, Mr. Goldberg. Let me
03:03:55 21 interrupt you.

03:03:56 22 Recess for the afternoon, like 15 minutes. Give you
03:04:00 23 time to refresh yourselves, a little bit after 3:00. So
03:04:04 24 maybe 3:20 or thereabouts we'll call for you.

03:04:07 25 Keep in mind the admonition. We'll see you soon.

03:04:10 1 COURTROOM DEPUTY: All rise.

03:04:11 2 (Jury excused from courtroom at 3:04 p.m.)

03:25:32 3 COURTROOM DEPUTY: All rise for the jury.

03:25:34 4 (Jury returned to courtroom at 3:25 p.m.)

03:25:58 5 COURTROOM DEPUTY: Court is in session.

03:26:00 6 Please be seated.

03:26:18 7 THE COURT: Okay. Mike, go ahead.

03:26:20 8 MR. GOLDBERG: Thank you.

9 BY MR. GOLDBERG:

03:26:22 10 **Q** Mr. Kachner, you understand what a yes or no question

03:26:24 11 is, right?

03:26:24 12 **A** Yes, sir.

03:26:25 13 **Q** Okay. So if I ask a yes or no, you know that the

03:26:28 14 answer is either yes or no; right?

03:26:30 15 **A** Yes, sir.

03:26:31 16 **Q** And you know that if you want to add something to it,

03:26:34 17 that these gentlemen (indicating) over here will give you a

03:26:37 18 chance when it's their turn to get back up; right?

03:26:40 19 **A** I did not know that.

03:26:41 20 **Q** Okay. Well, you've prepared with them for your

03:26:44 21 testimony; right?

03:26:45 22 **A** Correct.

03:26:45 23 **Q** They told you you'd be cross-examined; right?

03:26:49 24 **A** Correct.

03:26:49 25 **Q** And I'm assuming they didn't tell you to not answer a

03:26:53 1 yes or no question yes or no?

03:26:53 2 **A** They told me to answer the questions truthfully.

03:26:56 3 **Q** Right. Okay. So I'm going to ask some yes and no

03:26:59 4 questions, and we're going to try to get through this.

03:27:01 5 Okay?

03:27:01 6 **A** Okay.

03:27:02 7 **Q** First question, I want to go back, you said that there

03:27:05 8 was a store -- a skill games store in Massillon; correct?

03:27:10 9 **A** Correct.

03:27:11 10 **Q** What was the name of that store?

03:27:14 11 **A** I don't even believe it had a name.

03:27:16 12 **Q** Okay. And that was -- do you remember the address?

03:27:21 13 **A** It was right down by the -- right when you go into

03:27:24 14 Massillon, right on the right-hand side in a plaza.

03:27:30 15 **Q** How long was it open for?

03:27:33 16 **A** 2 to 4 months.

03:27:34 17 **Q** Okay. And that's not Cafe 62?

03:27:37 18 **A** No.

03:27:38 19 **Q** Okay. All right.

03:27:40 20 So I'm going to go back to your plea agreement, if we
03:27:43 21 could bring that back up. And I will share this.

03:27:48 22 And I'm looking at Page 9.

03:27:54 23 Okay. Page 9, Paragraph 1 indicates that you received
03:27:59 24 approximately 1,424,464 income from Redemption, 2012 through
03:28:10 25 2017.

03:28:11 1 Now, you agreed with that number and you initialed the
03:28:14 2 bottom; correct?

03:28:16 3 **A** Yes.

03:28:23 4 **Q** Did you agree to a similar number regarding
03:28:27 5 Redemption -- I'm sorry, regarding Skilled Shamrock?

03:28:34 6 **A** I -- I can't answer that yes or no, sir, so I don't
03:28:37 7 know.

03:28:37 8 **Q** Okay. Directing your attention to Paragraph -- I'm
03:28:42 9 sorry, that was Paragraph L. I said 1.

03:28:45 10 **A** Yes. Understood. Yeah.

03:28:47 11 **Q** Now Paragraph P.

03:28:55 12 **A** Okay.

03:28:55 13 **Q** So if you could read Paragraph P, the first sentence
03:28:58 14 please?

03:28:58 15 **A** "The machines at Skilled Shamrock were supplied by
03:29:02 16 DiPietro through his company, RNB Leasing, Incorporated."

03:29:06 17 **Q** Okay. So you testified here today you didn't know
03:29:08 18 what RNB Leasing, Incorporated, was; correct?

03:29:11 19 **A** I didn't -- yes.

03:29:12 20 **Q** Okay. But when you signed this agreement in July of
03:29:18 21 '22, you did. Right?

03:29:21 22 **A** Okay. RNB is the things that they put -- well --

03:29:26 23 **Q** Well, you understood what that was in July of 2022;
03:29:32 24 correct?

03:29:35 25 **A** I understood what?

03:29:38 1 Q What RNB Leasing was. Because you say it right here.

03:29:45 2 You are admitting the machines at Skilled Shamrock were
03:29:48 3 supplied by Ron DiPietro through his company, RNB Leasing?

03:29:54 4 A Yes.

03:29:54 5 Q So you do know what RNB Leasing is, as opposed to your
03:29:59 6 testimony today; correct?

03:30:00 7 A I can't answer that with a yes or no, so. . .

03:30:02 8 Q Well, did you read this agreement before you signed
03:30:06 9 it?

03:30:07 10 A Yes.

03:30:08 11 Q Are those your initials at the bottom?

03:30:10 12 A Yes.

03:30:10 13 Q Was it read in open court when you pled guilty?

03:30:13 14 A Yes.

03:30:13 15 Q Okay. All right. You've testified as to how money
03:30:23 16 was accounted for at Skilled Shamrock and Redemption. And
03:30:30 17 you've indicated that there were daily accounting sheets
03:30:35 18 that were generated by the machines; is that correct?

03:30:40 19 A Yes.

03:30:41 20 Q Okay. So, were those receipts printed out every day,
03:30:48 21 or only on Sundays or once a week?

03:30:52 22 A How am I going to answer that with a yes or no, sir?

03:30:55 23 Q Well, that's not a yes or no question.

03:30:57 24 A Well, you told me that you wanted yes or no answers,
03:31:00 25 so that's what I was --

03:31:01 1 Q If I ask a yes or no, I'd like a yes or no. That is,
03:31:04 2 did you print out receipts once a week? Was it multiple
03:31:07 3 times a week?

03:31:08 4 How did you account for the money coming in to these
03:31:12 5 two skill game rooms?

03:31:14 6 A Normally it was once a week.

03:31:15 7 Q Once a week.

03:31:16 8 Okay. So, was it a little different at the two
03:31:20 9 different stores, Skilled Shamrock versus Redemption, or
03:31:26 10 were they just once a week you printed out the numbers?

03:31:30 11 A I did it myself once a week.

03:31:31 12 Q Once a week. Both places?

03:31:33 13 A Correct.

03:31:34 14 Q Okay.

03:31:35 15 A Sometime --

03:31:36 16 Q So, when you printed those out, that generated actual
03:31:44 17 paper documents; right?

03:31:46 18 A Yeah, it was a slip.

03:31:47 19 Q I'm sorry?

03:31:48 20 A It was a slip.

03:31:49 21 Q A slip. Okay.

03:31:52 22 And every -- that would be used in calculating the
03:31:56 23 money in and the money out for each machine and therefore
03:31:59 24 the whole room; correct?

03:32:00 25 A Total ins and outs.

03:32:02 1 Q Okay. All right. So, those pieces of paper were
03:32:08 2 destroyed every time you calculated the in and out; correct?

03:32:17 3 A Correct, from -- yes.

03:32:19 4 Q And you were the one that destroyed them by burning
03:32:22 5 them; right?

03:32:22 6 A Not true.

03:32:23 7 Q Okay. Who destroyed them?

03:32:25 8 A Whoever took the paperwork that day.

03:32:26 9 Q Okay. Well, was that you?

03:32:28 10 A Occasionally.

03:32:30 11 Q Was it Tom Helmick?

03:32:32 12 A Occasionally.

03:32:35 13 Q It wasn't Mr. Karasarides, ever?

03:32:37 14 A Can't say that.

03:32:38 15 Q Well, okay. It was a regular part of the way you ran
03:32:45 16 these stores, to destroy the records every time they were
03:32:47 17 generated, whether you did it personally or not; correct?

03:32:53 18 A "Destroy" is a bad word, but yeah, we got rid of the
03:32:56 19 paperwork.

03:32:56 20 Q Well, you got rid of it.

03:32:58 21 Well, how did -- did you throw it in a dumpster? Burn
03:33:01 22 it? Did you put it down the garbage disposal? Flush it
03:33:06 23 down the toilet? What did you do to it?

03:33:08 24 A All depended.

03:33:09 25 Q Did you just throw them out on the side of the

03:33:11 1 highway?

03:33:11 2 **A** Again, like I stated, I don't know what the other
03:33:13 3 people did with theirs, but --

03:33:15 4 **Q** What did you do? When you destroyed records, what did
03:33:17 5 you do?

03:33:17 6 **A** When I destroyed the paperwork?

03:33:19 7 **Q** Correct. The records.

03:33:21 8 **A** Okay. Threw them in the trash. Use them as a fire
03:33:25 9 starter at my camper that I had.

03:33:27 10 **Q** Okay. And most of the time when these records were
03:33:32 11 destroyed, you destroyed them?

03:33:34 12 **A** Not true.

03:33:34 13 **Q** All right. All right. So when you look at these
03:33:39 14 spreadsheets that you've seen throughout this case, those
03:33:41 15 are numbers that someone on behalf of Mr. DiPietro kept in
03:33:47 16 their computer; right?

03:33:49 17 **A** Yes, that I seen.

03:33:50 18 **Q** And the records that would back up those numbers were
03:33:53 19 burned up at your camper or thrown off the side of the road
03:33:57 20 by someone else; right?

03:33:59 21 **A** To back up those numbers? You couldn't leave the
03:34:01 22 store unless it was correct. If it was wrong, you'd see the
03:34:05 23 text messages I was bitching about them being wrong.

03:34:08 24 **Q** Okay. So when I go to get my car out of the parking
03:34:10 25 lot, I got to show a receipt that I paid; right?

03:34:15 1 **A** A receipt that you paid?

03:34:16 2 **Q** That I paid for my parking space; right?

03:34:18 3 **A** Okay. Okay.

03:34:19 4 **Q** Yeah. And if anyone -- and if I want to keep a record
03:34:23 5 of what I paid, I keep that receipt; right?

03:34:27 6 **A** Okay.

03:34:28 7 **Q** Now, you are -- have testified that the records, the
03:34:33 8 receipts -- I'm going to call them receipts because that's
03:34:35 9 pretty much what they were -- after they were copied onto
03:34:40 10 whatever spreadsheet there was, were destroyed; right?

03:34:43 11 **A** They were never copied on.

03:34:44 12 **Q** After they -- numbers were put onto a spreadsheet,
03:34:47 13 they were destroyed; correct?

03:34:48 14 **A** They were plugged in from the person that was
03:34:51 15 affiliated with Ron DiPietro.

03:34:51 16 **Q** By "plugged in" you mean typed in?

03:34:53 17 **A** Correct.

03:34:54 18 **Q** They looked at the receipt, they typed it into the
03:34:57 19 spreadsheet --

03:34:59 20 **A** No.

03:34:59 21 **Q** Okay. Tell us how it happened.

03:35:02 22 **A** They would either look at the clicker on it or they
03:35:04 23 would look at -- when they looked at Ron DiPietro's, they
03:35:07 24 looked at the clickers that were on the inside of the
03:35:09 25 machine, I believe it was, and I printed off the paperwork

03:35:11 1 for myself to do it so we could match the paperwork up.

03:35:14 2 **Q** Right. And the paperwork you printed off for
03:35:17 3 yourself, which would be another way to prove the numbers in
03:35:22 4 this case, was destroyed?

03:35:24 5 **A** Correct.

03:35:25 6 **Q** Okay. So I'm going to hold up Government's Exhibit
03:35:31 7 447, and it's 144 pages.

03:35:38 8 Have you seen this?

03:35:38 9 **A** I don't believe so. I could have. I know I -- from
03:35:42 10 where I'm looking right now I can see the front page. I
03:35:44 11 know what it is.

03:35:45 12 MR. GOLDBERG: Okay. I'm going to approach
03:35:46 13 the witness if that's okay with the Court.

03:35:48 14 THE COURT: Sure.

15 BY MR. GOLDBERG:

03:35:49 16 **Q** All right, Mr. Kachner, handing you Government's
03:35:55 17 Exhibit 447. I think you've already identified that.
03:35:58 18 Correct?

03:35:59 19 **A** Correct.

03:36:00 20 **Q** Now, am I correct that those are the documents that
03:36:05 21 were generated just before the search in July 2018?

03:36:16 22 **A** Correct.

03:36:16 23 **Q** Okay. Thank you.

03:36:19 24 And when I'm talking about documents showing the
03:36:22 25 different amounts going in and out of the machines, I'm

03:36:25 1 talking about Government's Exhibit 447; right?

03:36:29 2 **A** False. False.

03:36:30 3 **Q** Okay. What am I talking about then?

03:36:32 4 **A** That is the daily sheet, like I explained before, that
03:36:37 5 is performed by each employee, each shift, each day.

03:36:39 6 **Q** Well, let me ask you this: Is -- you know, are there
03:36:44 7 any other documents that you know of that are like
03:36:48 8 Government's 447 that haven't been destroyed, burned, thrown
03:36:52 9 away, shredded?

03:37:01 10 **A** I don't understand your question, sir.

03:37:02 11 **Q** These documents were seized in a search.

12 **A** Okay.

03:37:04 13 **Q** Right?

03:37:04 14 **A** Yes.

03:37:05 15 **Q** Were any other similar documents from the 450 weeks
03:37:09 16 that we've been discussing seized in the search?

03:37:11 17 **A** Yes. Yes.

03:37:12 18 **Q** They were?

03:37:13 19 **A** Absolutely. There was a computer full of documents.

03:37:16 20 **Q** Okay. I'm talking about paper documents generated at
03:37:19 21 the store. Let's make sure --

03:37:21 22 **A** You're going in circles with these questions, sir.

03:37:23 23 You started out asking me a question about the paperwork for
03:37:25 24 the dailies. You said I destroyed them. The paperwork that
03:37:29 25 you're talking about now was done daily. Has absolutely,

03:37:32 1 positively nothing to do with the total numbers at the end
03:37:36 2 of the week.

03:37:37 3 **Q** Okay. Fine. That's fine.

03:37:45 4 Those -- other that's what's in the spreadsheets in
03:37:46 5 the computer that the government seized, there's no
03:37:48 6 surviving paper documents except for 447; right?

03:37:52 7 **A** To my knowledge, yes.

03:37:54 8 **Q** Okay. That means there's 439 weeks worth of documents
03:38:00 9 that were shredded, burned, destroyed by somebody, sometimes
03:38:03 10 you?

03:38:04 11 **A** Correct.

03:38:04 12 **Q** Okay. Now, you testified early on that you couldn't
03:38:15 13 have any of these skill game stores in your name because
03:38:19 14 you've got a prior felony conviction; right?

03:38:22 15 **A** Correct.

03:38:23 16 **Q** Okay. What was that felony conviction for?

03:38:27 17 **A** Trafficking in marijuana.

03:38:29 18 **Q** Okay. And you've had other convictions since then;
03:38:35 19 isn't that correct?

03:38:36 20 **A** I have a pretty big rap sheet from when I was younger,
03:38:39 21 yes.

03:38:39 22 **Q** Okay. So, you having this prior felony record was the
03:38:51 23 only reason you put these skilled games stores into other
03:38:57 24 people's names?

03:39:01 25 You couldn't have it in your name; right?

03:39:03 1 **A** I could have had it in my name. I had the Massillon
03:39:06 2 store in my name, and that's probably why I got raided in
03:39:10 3 2 months.

03:39:10 4 **Q** Okay. So in order to not get raided, you wouldn't
03:39:13 5 want it in your name?

03:39:14 6 **A** Look, like, no one put them in their own names that
03:39:19 7 ran these stores. There was very few that I could know of
03:39:21 8 that put them in their name.

03:39:23 9 **Q** Okay. So you're saying, you know, the stores in Stark
03:39:28 10 County?

03:39:28 11 **A** The ones that I know of, yes.

03:39:31 12 **Q** All right. How many stores were operating skill games
03:39:35 13 let's say in 2017 in Stark County?

03:39:37 14 **A** No clue.

03:39:39 15 **Q** But you know that none of them were in the name of the
03:39:42 16 actual owner?

03:39:43 17 **A** That's not what I said. The ones that I know of were
03:39:46 18 not in the people that I rep -- that I've been associated
03:39:50 19 with were not in their names.

03:39:51 20 **Q** Okay. Fair enough.

03:39:53 21 So, you met Mr. Karasarides, you were dealing poker;
03:40:01 22 correct?

03:40:01 23 **A** I've known him for a while.

03:40:03 24 **Q** Okay. When you first came into these shops, were they
03:40:07 25 operating as internet cafes or skill games?

03:40:11 1 **A** He had both.

03:40:12 2 **Q** There was a time when internet cafes were legal and
03:40:16 3 then they weren't legal; right?

03:40:17 4 **A** I believe so, yes.

03:40:18 5 **Q** And both Shamrock and Redemption were established when
03:40:26 6 the law changed and made internet cafes illegal; correct?

03:40:31 7 **A** Were they established when the -- you talking about
03:40:34 8 the VS2 is what you're talking about?

03:40:36 9 **Q** Yes. When the law changed and no longer allowed
03:40:39 10 internet cafes, the skill games came in?

03:40:42 11 **A** No. Skill games were running way before VS2 was even
03:40:47 12 thought of.

03:40:47 13 **Q** Okay. So, at the point when the VS2 and the internet
03:40:55 14 cafes were running, did you consider those to be legal?

03:40:58 15 **A** The VS2s?

03:41:00 16 **Q** Yes.

03:41:02 17 **A** To my knowledge they were.

03:41:03 18 **Q** Okay. All right. So, you talked about the township
03:41:17 19 taking its share; right?

03:41:20 20 **A** Yes.

03:41:22 21 **Q** Through the permit process?

03:41:23 22 **A** Yes.

03:41:24 23 **Q** Okay. And that was the cost of doing business;
03:41:29 24 correct?

03:41:30 25 **A** That was their fee to do the -- open the business.

03:41:33 1 Q Now, based on what you know -- let me back up.

03:41:37 2 You were at both of these stores every day pretty
03:41:40 3 much?

03:41:41 4 A You could -- I mean, yeah, pretty much.

03:41:43 5 Q All right. So --

03:41:44 6 A Not every day though, no.

03:41:46 7 Q Okay. But based on what you know as operating these
03:41:50 8 two stores, the Plainfield Township trustees knew what was
03:41:55 9 going on. Isn't that correct?

03:42:01 10 They knew there was cash being paid out by you?

03:42:05 11 A I can't answer that.

03:42:06 12 Q Okay. Well, what about the police, were they -- or,
03:42:10 13 I'm sorry, the sheriffs, were deputies every in the stores?

03:42:13 14 A I'm pretty sure there was customers that were
03:42:16 15 sheriffs.

03:42:16 16 Q Right. So obviously law enforcement were in both
03:42:19 17 establishments numerous times, either as customers or on
03:42:24 18 duty; right?

03:42:25 19 A Sure.

03:42:26 20 Q Okay. In your estimation, you know, there's no way
03:42:30 21 they couldn't have known; right?

03:42:32 22 A I don't know what another man knows. All I can tell
03:42:34 23 you is what I know, sir.

03:42:36 24 Q Okay. Well, you know -- did you ever discuss the cash
03:42:40 25 being paid with any law enforcement official before you were

03:42:44 1 arrested, before this case came up?

03:42:52 2 **A** Ask that again, please.

03:42:53 3 **Q** Meaning, during the time you were operating, did you
03:42:56 4 talk to law enforcement, sheriff's deputies, the sheriff,
03:43:01 5 police officers, anybody in law enforcement about paying
03:43:04 6 cash winnings?

03:43:06 7 **A** I got raided in Massillon, so I guess it would be yes.

03:43:10 8 **Q** Okay. So, it wasn't any secret?

03:43:15 9 **A** That what, that they were paying cash?

03:43:18 10 **Q** Yes.

03:43:20 11 **A** Correct.

03:43:20 12 **Q** And that's for all the game rooms that were open --

03:43:23 13 **A** If you weren't paying cash, you had no business.

03:43:25 14 **Q** Right. Because people don't want a stuffed animal,
03:43:28 15 they want cash?

03:43:29 16 **A** Correct.

03:43:29 17 **Q** And that's why -- and that's why cash was paid out at
03:43:34 18 these two stores that we're discussing; correct?

03:43:37 19 **A** All the cash -- all the game rooms paid out cash.

03:43:41 20 **Q** Okay. Now, you testified, or at least I believe you
03:43:53 21 testified, I know I saw it maybe in your statements, that
03:43:56 22 you set up the machines, that you set them to the various
03:44:02 23 games and the various payouts; is that correct?

03:44:04 24 **A** Correct.

03:44:08 25 **Q** No one assisted you in doing that as a -- to start off

03:44:13 1 with?

03:44:14 2 **A** Not true.

03:44:15 3 **Q** Okay. Well, you said that you set them up though;
03:44:21 4 right?

03:44:23 5 **A** Sure I did.

03:44:24 6 **Q** All right. Okay.

03:44:28 7 All right. So, let's talk about --

03:44:31 8 **A** Can I -- can we back up on that? Because I never
03:44:35 9 touched Ron DiPietro's machines, so only Redemption's.

03:44:38 10 **Q** Okay. You set those up though; right?

03:44:41 11 **A** Correct.

03:44:41 12 **Q** Set the ratios or whatever you would call the payoff?

03:44:46 13 **A** Correct. After speaking with other people about what
03:44:48 14 I should set them to.

03:44:49 15 **Q** Okay. And another person, Mike Money Penny, set up
03:44:54 16 Mr. DiPietro's machines?

03:44:55 17 **A** I believe Trina did. Trina did it.

03:44:58 18 **Q** I'm sorry?

03:44:59 19 **A** I believe Trina did.

03:45:00 20 **Q** Trina did. Okay.

03:45:02 21 All right. So let's go back. You know, it's accurate
03:45:07 22 to say that you smoke marijuana; correct?

03:45:11 23 **A** What does that have to do with anything?

03:45:13 24 **Q** I'm asking the question. Do you smoke marijuana?

03:45:15 25 **A** What does that have to do with skill rooms? I'm

03:45:18 1 asking a question, sir. I'm not trying to be a dick. I
03:45:20 2 just want to know, what does that have to do with anything?

03:45:22 3 **Q** Do you smoke marijuana?

03:45:24 4 **A** Yeah.

03:45:24 5 **Q** Okay. Now, am I correct -- and you went to the
03:45:29 6 probation department; right?

03:45:31 7 **A** To what probation department?

03:45:32 8 **Q** Here.

03:45:33 9 **A** Correct.

03:45:33 10 **Q** To -- yeah. Okay. And you disclosed your drug use;
03:45:37 11 right?

03:45:37 12 **A** Correct.

03:45:38 13 **Q** Okay. Now, your use of marijuana was daily?

03:45:42 14 **A** Correct.

03:45:42 15 **Q** Correct?

03:45:43 16 Your entire adult life?

03:45:46 17 **A** I smoke marijuana like you smoke Marlboros.

03:45:50 18 **Q** Okay. So that means what, a pack a day?

03:45:52 19 **A** No. That means that you could smoke a cigarette and
03:45:54 20 not affect you just like I smoke weed and it don't affect
03:45:57 21 me.

03:45:57 22 I see where you're going with this, and you're not
03:45:59 23 going to get it around me, dawg. No chance.

03:46:01 24 **Q** Okay. Okay. So we can assume that you were under the
03:46:06 25 influence of marijuana, or at least you had smoked

03:46:08 1 marijuana, on every day anything relevant in this case
03:46:13 2 happened?

03:46:13 3 **A** Do you smoke weed?

03:46:14 4 **Q** I'm asking you. Can we assume --

03:46:17 5 **A** I'm asking you. Do you smoke weed? Then you can't
03:46:20 6 tell me what marijuana does for me. I use it for medical
03:46:23 7 purposes because I've had three back surgeries and multiple
03:46:26 8 injuries.

03:46:27 9 **Q** Okay. Well, my question is, you smoked marijuana
03:46:31 10 every day --

03:46:32 11 **A** I just answered your question, sir.

03:46:34 12 **Q** Every day anything relevant happened in this case;
03:46:36 13 correct?

03:46:37 14 **A** I smoke weed daily, and it does not affect me the way
03:46:40 15 you think it does.

03:46:43 16 **Q** Well, my question is just, do you smoke it every day,
03:46:46 17 and you said yes.

03:46:48 18 So, I can assume you smoked it today?

03:46:50 19 **A** No, sir.

03:46:51 20 **Q** Today you took off?

03:46:53 21 **A** I did not smoke no marijuana today, sir.

03:46:56 22 **Q** And what about yesterday?

03:46:57 23 **A** Absolutely.

03:46:58 24 **Q** Okay. And every day, from 2010 to 2024, the 17th of
03:47:11 25 January, except for the 17th of January; right?

03:47:15 1 **A** I have not smoked no marijuana today, sir.

03:47:17 2 **Q** But you smoked every other day going back to January
03:47:22 3 1, 2010?

03:47:23 4 **A** No, sir.

03:47:23 5 **Q** Okay. Well --

03:47:25 6 **A** You're asking me to answer question from multiple
03:47:28 7 years. There was days that I didn't smoke it. So for me to
03:47:30 8 answer that as yes, it would be lying. So I'm going to be
03:47:32 9 truthful and say, no, sir, I haven't smoked it every day.

03:47:35 10 **Q** Okay. Well, that's fine. But generally you are a
03:47:39 11 daily marijuana --

03:47:40 12 **A** Where are you going with this, with the marijuana?

03:47:42 13 **Q** You just said --

03:47:43 14 **A** Where are you going with this?

03:47:43 15 **Q** Well, I'll let you know. Listen to the question.

03:47:45 16 You just said you smoke marijuana like you smoke
03:47:48 17 Marlboros, so --

03:47:48 18 **A** No, like you smoke Marlboros.

03:47:51 19 **Q** That's -- like I smoke Marlboros.

03:47:53 20 **A** Correct.

03:47:53 21 **Q** Well, that's safe to assume it's an everyday thing;
03:47:55 22 right?

03:47:56 23 **A** If you want to assume that, but I just told you
03:47:57 24 sitting in the box that I put my hand to God that I don't
03:48:00 25 smoke every day and I haven't smoked today. So your theory

03:48:03 1 what you're saying is false.

03:48:05 2 Q Okay. Okay. Well, my -- we'll move on to something
03:48:10 3 else.

03:48:10 4 A Thank you, sir.

03:48:12 5 Q What other drugs do you use?

03:48:14 6 A None. None. None.

03:48:17 7 Q Nothing?

03:48:18 8 A No.

03:48:33 9 Q I have a question about the motherboards for these
03:48:36 10 machines.

03:48:37 11 A Okay.

03:48:39 12 Q What's a motherboard?

03:48:40 13 A The board that the government seized that's in -- I
03:48:45 14 don't know if they have evidence of it or not. It's about
03:48:48 15 that big (indicating) with plug-ins for it.

03:48:50 16 Q And what does it do?

03:48:52 17 A Runs the computer.

03:48:53 18 Q Okay. Now, do the motherboards -- the computer in the
03:48:56 19 machine -- in the game machines?

03:48:59 20 A Is it in the machine?

03:49:00 21 Q Yeah.

03:49:01 22 A Yeah, it's in the bottom of the machine, or in the
03:49:03 23 back of the machine, or on the side mounted sometimes.

03:49:05 24 Q Would you say it was the brain of the machine?

03:49:08 25 A I mean -- it was a part -- excuse me, a part of the

03:49:12 1 machine, yes.

03:49:12 2 **Q** But it's the electronics that runs the games and --

03:49:16 3 **A** It's the major part of it.

03:49:18 4 **Q** Do those motherboards get switched out between
03:49:23 5 machines to get new ones and put them in? Do you ever have
03:49:29 6 to replace them?

03:49:30 7 **A** Ron DiPietro did all that with his boards. If you're
03:49:34 8 speaking on Redemption, there was times that a board would
03:49:37 9 go bad and you'd have to put a new one in, correct.

03:49:40 10 **Q** Okay. And would they ever be switched out between
03:49:43 11 different game rooms? You know, for instance, between
03:49:48 12 Redemption or Skilled Shamrock or between --

03:49:50 13 **A** Never did I take a game board from Redemption to
03:49:55 14 Shamrock.

03:49:55 15 **Q** What about other game rooms that you operated, brought
03:49:57 16 them into Shamrock or Redemption?

03:49:59 17 **A** I can't answer that. I don't know.

03:50:02 18 **Q** Then that answer is maybe.

03:50:05 19 **A** I just said I can't answer it.

03:50:07 20 **Q** It's not a hard -- it's not a no, it's maybe?

03:50:09 21 **A** I'm going to stick with the answer I just gave you.

03:50:11 22 **Q** Which is you can't answer it?

03:50:12 23 **A** Correct.

03:50:13 24 **Q** You can't answer it for -- because you don't want to
03:50:15 25 answer it or you can't answer it because you don't know?

03:50:17 1 **A** I'm answering it truthfully because I don't remember
03:50:19 2 whether I took a board from another store and took it into
03:50:22 3 another store.

03:50:23 4 **Q** Well, that would be something that could have
03:50:25 5 happened; right? I mean, if you don't remember whether you
03:50:29 6 did it or not --

03:50:30 7 **A** Hypothetically, no, because the store that I was in
03:50:32 8 business with Steve Saris, he didn't want nothing to do with
03:50:35 9 Redemption, and I didn't do shit at Shamrock.

03:50:41 10 **Q** So your answer now is no, you never switched out
03:50:44 11 motherboards?

03:50:47 12 THE WITNESS: Judge, is he going to keep
03:50:50 13 trying to circle around this?

03:50:50 14 Like, I mean, what answer you want out of me? You
03:50:53 15 tell me what --

03:50:54 16 MR. GOLDBERG: I just want you to stick with
03:50:55 17 one. I said --

03:50:56 18 THE WITNESS: I just explained to you and to
03:50:57 19 the jury what I just told you. It's not a yes or no answer,
03:51:01 20 sir.

03:51:02 21 BY MR. GOLDBERG:

03:51:02 22 **Q** Did you switch out motherboards? That's all I'm
03:51:04 23 asking.

03:51:05 24 **A** Did I switch out motherboards? I took boards and put
03:51:06 25 them in different games, absolutely. But I also ordered

03:51:07 1 them. Myself, Chris Kare, and Larry Dayton took them and
03:51:12 2 put them to the expense, and we normally ordered them from a
03:51:12 3 place out of Cleveland.

03:51:14 4 **Q** Okay. So it was I can't answer that, then it was no,
03:51:17 5 and now it's yes.

6 **A** I'll wait till your next question, sir.

03:51:19 7 **Q** You switched out motherboards between machines;
03:51:23 8 correct?

03:51:25 9 **A** I've already answered that question, sir, multiple
03:51:27 10 times.

03:51:28 11 **Q** You gave three different answers, so I want one answer
03:51:30 12 now, final answer.

03:51:31 13 You switch out motherboards between machines?

03:51:34 14 **A** I have done a lot of technical things within the
03:51:37 15 machines, sir.

03:51:37 16 **Q** Is that a yes or no? Is that a yes -- I take that as
03:51:42 17 a yes, you switched out motherboards. You just said it.

03:51:44 18 **A** In the store alone, if I was in Redemption, there
03:51:48 19 might have been a game that might have been down, that
03:51:51 20 another game might have been broke, that I might have taken
03:51:53 21 a board out of a machine, put it into another machine to get
03:51:55 22 that one working until parts came in for the other machine.

03:52:00 23 Does that help you, sir?

03:52:01 24 **Q** Yeah, that's a yes.

03:52:02 25 Okay. So, there's something that's been discussed

03:52:08 1 called match play.

03:52:10 2 **A** Yes, sir.

03:52:10 3 **Q** Are you familiar with what that is?

03:52:11 4 **A** Yes, sir.

03:52:12 5 **Q** Okay. What is it?

03:52:13 6 **A** A patron would come in, and I believe anywhere between

03:52:18 7 5 and -- 5 for 5, 10 for 10, or 20 for 20.

03:52:22 8 **Q** So you, like, would add money to their initial bet?

03:52:27 9 **A** Not to their bet, no.

03:52:29 10 **Q** So tell -- explain, like what -- like what would you

03:52:32 11 do?

03:52:32 12 **A** If they put -- there was days that we would do a 20

03:52:35 13 for 20, that if they brought a 20 in, you put another 20 in,

03:52:39 14 after they played the machine for a successful 30 minutes.

03:52:43 15 Whether or not the patron was doing what they was supposed

03:52:45 16 to, I can't answer that question.

03:52:47 17 **Q** Well, answer this. Is that accounted for in the daily

03:52:49 18 and weekly audits?

03:52:51 19 **A** Correct, yes.

03:52:52 20 **Q** Where is it accounted for?

03:52:54 21 **A** You just said where it was accounted for: In the

03:52:57 22 daily and weekly audits.

03:52:58 23 **Q** Okay. But at the -- in the bottom line that went into

03:53:02 24 the spreadsheets, where is it accounted for?

03:53:04 25 **A** That would be in expenses.

03:53:06 1 Q It would be part of expenses?

03:53:08 2 A Correct.

03:53:12 3 Q But it's not specified in any spreadsheet as a match
03:53:18 4 play; it's just one item for expenses?

03:53:21 5 A If you pull up that paperwork that you tried to show
03:53:23 6 me a minute ago with the dailies on it, if you look on that,
03:53:26 7 it might say match play on there.

03:53:28 8 Q Okay. That would be Exhibit 447?

03:53:30 9 A I believe -- I don't know.

03:53:31 10 Q With all the -- the 144 pages that I just showed you?

03:53:35 11 A The one that's got the three things on the front of
03:53:37 12 it, the daily.

03:54:13 13 Q At one point the government accused you of having a
03:54:17 14 couple million dollars stashed somewhere.

03:54:20 15 Do you recall that?

03:54:21 16 A Correct.

03:54:22 17 Q You do?

03:54:23 18 A Yes.

03:54:25 19 Q Okay. And that was because the numbers that you gave
03:54:32 20 them didn't add up. Isn't that correct?

03:54:37 21 A What numbers that I gave them?

03:54:39 22 Q The numbers that you gave them in the amount of money
03:54:43 23 that you took home from this enterprise.

03:54:46 24 A I don't understand your question.

03:54:47 25 Q Okay. They accused you of hiding money; right?

03:54:51 1 **A** Okay.

03:54:51 2 **Q** Above and beyond the million that was stolen,
03:54:54 3 thereabouts, and the 248,000, thereabouts, that was taken
03:54:59 4 out of the YMCA; right?

03:55:01 5 **A** No, I don't recollect that.

03:55:02 6 **Q** Okay. Did you tell them you were living like Gotti,
03:55:05 7 and they wanted to know where all the money was?

03:55:07 8 **A** No, sir.

03:55:11 9 To be honest, that's what my wife's name is in my
03:55:15 10 wife. It's Miss Gotti.

03:55:17 11 **Q** That was your wife's name?

03:55:18 12 **A** Yeah. Because of the way she used to act towards me.

03:55:33 13 **Q** Now, you were shown some text messages between you and
03:55:38 14 Mr. Karasarides.

03:55:40 15 Do you remember that?

03:55:41 16 **A** I've been shown a lot of text messages today, sir.

03:55:44 17 **Q** Your answer about whether or not they were relating to
03:55:48 18 proceeds being dropped off were -- one of the things you
03:55:53 19 said was if they were on Sunday or Monday, that's what they
03:55:56 20 were about; right?

03:55:58 21 **A** I did the number -- I did the numbers on Sundays or
03:56:02 22 Mondays. He could have asked -- might have been out of
03:56:05 23 town. He might have been somewhere else and might have got
03:56:07 24 it on a Thursday or Friday.

03:56:08 25 **Q** Okay. And with regard to at least one of these skill

03:56:16 1 game stores, Mr. Karasarides owned the machines, is that
03:56:21 2 your understanding, or was a part owner of the machines?

03:56:24 3 **A** To my knowledge, I don't believe Chris owned any
03:56:26 4 machines except for in Redemption with me and Larry.

03:56:29 5 **Q** In Redemption?

03:56:31 6 **A** Yes. Yes.

03:56:32 7 **Q** Okay. So you were shown a series of tax returns --
03:56:47 8 and I'm not going to go too far into this -- but you were
03:56:50 9 shown all your tax returns between 2013 and 2017; correct?

03:57:05 10 **A** Correct. Correct.

03:57:07 11 **Q** During the course of your testimony you were shown
03:57:08 12 those; right?

03:57:09 13 **A** Correct.

03:57:09 14 **Q** And you lied on every single one of them. Isn't that
03:57:12 15 correct?

03:57:15 16 **A** All except for the Premos Used Cars.

03:57:17 17 **Q** I'm sorry?

03:57:18 18 **A** All except for Premos Used Cars.

03:57:20 19 **Q** Okay. But with regard to your income, your expenses,
03:57:25 20 everything, those were all lies, under penalty of perjury;
03:57:28 21 right?

03:57:29 22 **A** Pretty sure that's why I'm on trial right now for
03:57:32 23 defrauding the United States Government in taxes. Good
03:57:34 24 question.

03:57:35 25 **Q** And you're not on trial.

03:57:36 1 Did you know that?

03:57:37 2 **A** Okay.

03:57:37 3 **Q** You know you're not on trial; right?

03:57:39 4 **A** I'm in -- I'm in the trial.

03:57:41 5 **Q** Right. You're not in trial because you made a deal to
03:57:44 6 get far less time than you would have got otherwise; right?

03:57:49 7 **A** That's your theory.

03:57:51 8 **Q** Well, did you make the deal just for fun?

03:57:53 9 **A** Because I just said something, you're going to go this
03:57:57 10 route again? Come on, man. You keep circling around. Get
03:57:58 11 to your question. I'm tired, and I'm trying to get out of
03:58:00 12 here by 4:30.

03:58:00 13 **Q** That's my question. Did you make a deal with the
03:58:02 14 government for fun, because you love them, or did you make a
03:58:05 15 deal to get less prison time?

03:58:07 16 THE COURT: Let's go to another subject.
03:58:08 17 We've beat this to death.

03:58:10 18 THE WITNESS: Thank you, sir.

03:58:11 19 MR. GOLDBERG: Okay. I'm done. Thank you.

03:58:12 20 THE WITNESS: Thank you.

03:58:13 21 THE COURT: Mr. Fedor.

03:58:16 22 MR. FEDOR: Thank you, Judge.

03:58:48 23 - - - - -

03:58:48 24 CROSS-EXAMINATION OF JASON KACHNER

03:58:49 25 BY MR. FEDOR:

03:58:49 1 Q Mr. Kachner, my name is Robert Fedor. I represent
03:58:57 2 Mr. DiPietro.

03:58:58 3 A Nice to meet you, sir.

03:59:00 4 Q Pleasure is mine.

03:59:01 5 I'd like to start just to clarify for the jury, how
6 many game rooms did you actually own over the course of '9
03:59:03 7 to '18? I don't know if we've heard that fully.

03:59:11 8 A Partnership, roughly seven.

03:59:25 9 Q Can you identify those?

03:59:27 10 A The one in Massillon didn't have a name, Redemption,
03:59:33 11 Shamrock, Cafe 62, Skillz 7, Got Skillz, and one in
03:59:38 12 Austintown that I don't believe had a name either.

03:59:41 13 Q And were those in existence for the entire period '9
03:59:46 14 through '18?

03:59:46 15 A No, sir.

03:59:46 16 Q And what was the name of the one that was closed down
03:59:48 17 that was only one for 3 or 4 months?

03:59:50 18 A I don't think it had a name, sir.

03:59:52 19 Q Okay.

03:59:53 20 A Honestly, you had to buy one of those big light-up
03:59:58 21 signs or whatever, and it was raided before we could even
04:00:00 22 buy the thing.

04:00:02 23 Q And why was it raided, to your understanding?

04:00:08 24 A I don't even know what the real -- I don't even know
04:00:10 25 what the document said.

04:00:13 1 Q Okay. You testified previously that Mr. DiPietro had
04:00:18 2 machines in Redemption at one point; correct?

04:00:21 3 A That's true.

04:00:22 4 Q Okay. And do you know if Mr. DiPietro actually owned
04:00:25 5 and supplied the machines?

04:00:27 6 A Yes.

04:00:28 7 Q Okay. And at some point, I believe your testimony was
04:00:32 8 2010, 2011, that those machines were removed; correct?

04:00:35 9 A Yes, sir.

04:00:36 10 Q And why were they removed?

04:00:38 11 A Because myself and Chris and Larry bought machines
04:00:40 12 from somewhere in the south.

04:00:42 13 Q Was there animosity with Mr. DiPietro?

04:00:45 14 A No. I just didn't want to keep giving that percentage
04:00:48 15 up for no reason.

04:00:49 16 Q Okay. So, you wanted the money?

04:00:52 17 A Correct. Well, not -- you're saying myself. We
04:00:56 18 wanted the money.

04:00:56 19 Q You, meaning yourself, Mr. Dayton?

04:01:01 20 A Correct.

04:01:01 21 Q And who else?

04:01:02 22 A Chris Kare.

04:01:03 23 Q Okay. Thank you.

04:01:07 24 And I believe you indicated that after that date,
04:01:10 25 there were no longer any records kept for Redemption;

04:01:14 1 correct?

04:01:14 2 **A** Correct.

04:01:22 3 **Q** How did you actually keep those records for

04:01:25 4 Redemption? Other than the daily sheets that we heard from

04:01:29 5 Mr. Goldberg and the slips that you printed out, how did you

04:01:32 6 keep records for Redemption?

04:01:35 7 **A** As in for the week?

04:01:36 8 **Q** As in how to prepare your tax returns, how to split

04:01:40 9 your proceeds, how to do whatever to run the business. How

04:01:44 10 did you keep records?

04:01:44 11 **A** I didn't keep records.

04:01:45 12 **Q** How did you determine what the split of the percentage
04:01:48 13 was?

04:01:49 14 **A** How did I -- what did you say? What did you say, sir?

04:01:52 15 **Q** How did you determine the split amongst the owners?

04:01:56 16 **A** By the daily sheets after we did the numbers on
04:01:58 17 Sunday.

04:01:59 18 **Q** Okay. And that was it?

04:02:00 19 **A** Correct.

04:02:01 20 **Q** And then you'd destroy those sheets; correct?

04:02:05 21 **A** We would get rid of them, yes.

04:02:07 22 **Q** And so at the end of the year did you have any
04:02:08 23 documents left for your taxes?

04:02:10 24 **A** No.

04:02:11 25 **Q** Okay. Thank you.

04:02:12 1 I believe you previously testified that you used Mike
04:02:28 2 Moneyppenny to repair the machines; correct?

04:02:29 3 **A** Where?

04:02:30 4 **Q** Good question.

04:02:33 5 Where did he repair machines?

04:02:35 6 **A** Multiple stores, but he wasn't the only one that was
04:02:37 7 used.

04:02:39 8 **Q** Did he repair machines at Skilled Shamrock?

04:02:41 9 **A** Yes.

04:02:42 10 **Q** Did he work for RND [sic] Leasing?

04:02:46 11 **A** He worked for Ron DiPietro.

04:02:48 12 **Q** Okay. Do you know the difference -- let me back up
04:02:52 13 and restate the question.

04:02:53 14 Do you know what RNB Leasing was?

04:02:55 15 **A** Yeah, a bullshit thing that he had people sign that
04:02:58 16 tried to keep him out of trouble for like what we're doing
04:03:00 17 right now.

04:03:01 18 **Q** Okay. Do you know who Billy Pool is?

04:03:03 19 **A** I have no clue who Billy Pool is.

04:03:04 20 **Q** Would it surprise you if I told you the B stood for
04:03:09 21 Billy Pool who is a partner in RNB Leasing?

04:03:11 22 **A** I don't know who it is.

04:03:12 23 **Q** Okay. Would it surprise you that Mr. DiPietro met
04:03:15 24 with an attorney and had lease agreements drafted for every
04:03:18 25 one of the game rooms that he had machines in?

04:03:20 1 **A** I don't know if he did or not.

04:03:20 2 **Q** Exactly. You don't.

04:03:44 3 MR. FEDOR: Carissa, could we pull up

04:03:46 4 Exhibit 410, Government's Exhibit 410.

04:03:49 5 Thank you. Thanks again for all your help.

04:03:53 6 MS. WELCH: You're welcome.

04:03:54 7 BY MR. FEDOR:

04:03:55 8 **Q** Do you see Government's Exhibit 410 in front of you,

04:03:57 9 Mr. Kachner?

04:03:57 10 **A** I do, sir.

04:03:58 11 **Q** And what kind of familiarity do you have with this
04:04:02 12 document?

04:04:03 13 **A** My name is not on this document, sir. It says Derek
04:04:06 14 Phillips.

04:04:06 15 **Q** Exactly. But how many times have you seen this lease
04:04:08 16 agreement?

04:04:09 17 **A** Maybe three or four times.

04:04:11 18 **Q** And what was that situation where you saw it the three
04:04:13 19 or four times?

04:04:19 20 **A** I believe once in the store when Derek had to sign it,
04:04:22 21 and then the other times would have been with the federal
04:04:24 22 government.

04:04:25 23 **Q** Okay. So, once with Derek Phillips; correct?

04:04:29 24 **A** Correct.

04:04:30 25 **Q** The other times with the federal government; correct?

04:04:32 1 **A** Correct.

04:04:33 2 **Q** And that was for preparation of today's testimony?

04:04:38 3 **A** In preparation?

04:04:40 4 **Q** In preparation for your testimony today; correct?

04:04:42 5 **A** Correct.

04:04:43 6 **Q** So you've seen the document once?

04:04:48 7 **A** No. We just said we've seen it three or four times.

04:04:50 8 **Q** While you were operating -- while you were operating

04:04:54 9 the game rooms, while you were using the RNB Leasing

04:04:57 10 machines in the game rooms, you've seen the document once.

04:04:59 11 That's your testimony?

04:05:00 12 **A** Correct.

04:05:10 13 MR. FEDOR: Carissa, can you turn to I think

04:05:12 14 Page 3, the last page?

04:05:14 15 BY MR. FEDOR:

04:05:14 16 **Q** And what's the date on the lease agreement?

04:05:16 17 **A** 8-29-2010.

04:05:19 18 **Q** And you agree these were all RNB Leasing machines in

04:05:24 19 the Skilled Shamrock room, correct?

04:05:27 20 **A** To be honest, from seeing all your guys' paperwork,

04:05:30 21 this RNB Leasing, now it says BNR Leasing.

04:05:31 22 Which one are you using? Are you using RNB or are you

04:05:33 23 using BNR or which one are you using?

04:05:35 24 **Q** Just answer my question, please.

04:05:37 25 **A** I'm asking you a question. I can't answer that

04:05:38 1 question if -- you just said from RNB. So, no, the lessor
04:05:41 2 is BNR Leasing, LLC, sir. So your question is actually no,
04:05:45 3 this isn't from RNB.

04:05:47 4 Now, if you go to the first page, it does state RNB.
04:05:50 5 So if you want to redirect your question to the right
04:05:53 6 answer, then I'll give it to you.

04:05:54 7 **Q** You know, it's not up to you whether it's right or
04:05:57 8 wrong. It's up to me to ask the questions, you answer them,
04:05:59 9 please.

10 **A** That's fine.

04:05:59 11 **Q** Would you just cooperate today?

04:06:02 12 **A** That's fine. But ask --

13 **Q** It would be really helpful if you cooperated.

04:06:02 14 **A** Sir, you asked me a question that regarded to RNB;
04:06:05 15 correct?

04:06:06 16 **Q** I asked you a question about a lease agreement.
04:06:08 17 Answer my questions.

04:06:09 18 **A** Okay. This doesn't have -- where it's signed right
04:06:11 19 here says BNR, not RNB, sir.

04:06:14 20 **Q** That's correct, it does.

04:06:15 21 And what's the date on it?

04:06:16 22 **A** 8-29-2010.

04:06:18 23 **Q** And who signed off on that?

04:06:20 24 **A** Tristan DiPietro, technician, Derek Phillips -- just
04:06:28 25 says Derek Phillips again, three times.

04:06:30 1 Q Thank you.

04:06:45 2 Do you understand the percentages that were to be paid
04:06:50 3 for Mr. DiPietro's RNB/BNR Leasing's machines in Skilled
04:06:57 4 Shamrock? Do you understand the percentage that was set up?

04:06:58 5 A No.

04:07:04 6 MR. FEDOR: I'm sorry, Carissa, can you take
04:07:05 7 it back up? I'm not done.

04:07:07 8 MS. WELCH: Yep. What was the document?

04:07:09 9 MR. FEDOR: 410.

04:07:10 10 Thank you.

04:07:14 11 I think there's a Schedule A attached, the addendum?
04:07:18 12 Last page.

04:07:20 13 Correct. Thank you.

04:07:22 14 BY MR. FEDOR:

04:07:22 15 Q Can you take a look at Exhibit A for a minute?

04:07:25 16 Are you familiar with Exhibit A, the one time you saw
04:07:28 17 this prior to preparation for this today?

04:07:30 18 A I can't say that I went through it fully like this,
04:07:32 19 no.

04:07:32 20 Q Okay. Will you spend a minute and go through a little
04:07:35 21 bit more fully today so you see it?

04:07:38 22 A I see it, sir.

04:07:39 23 Q Okay. And the last line, what does that say?

04:07:46 24 A The last line?

04:07:48 25 Q Correct.

04:07:48 1 **A** Says "40 percent."

04:07:50 2 **Q** And what is that for?

04:07:51 3 **A** That's a lie.

04:07:53 4 **Q** What does the document state, sir? I'm not asking you

04:07:56 5 what your opinion is.

04:07:58 6 **A** But it -- you're asking me what it is, and I'm telling

04:08:00 7 you that that's not a true statement. It was 50 percent.

04:08:03 8 **Q** Does the document itself say "rental percentage,

04:08:06 9 40 percent"?

04:08:06 10 **A** It does, sir.

11 **Q** Thank you.

04:08:07 12 **A** It also says an initial term of a lease for 5 years,

04:08:10 13 which would be outdated.

04:08:13 14 **Q** There may be more than one lease perhaps; correct?

04:08:15 15 **A** There wasn't.

04:08:16 16 **Q** How do you know if you've only seen it once?

04:08:18 17 **A** Because I would have known if he signed the paperwork,

04:08:20 18 sir.

04:08:20 19 **Q** How? Your name's not on here.

04:08:29 20 So these are Mr. DiPietro's machines in Skilled

04:08:35 21 Shamrock; correct?

04:08:35 22 **A** Yes, sir. Yes, sir.

04:08:35 23 **Q** Okay. And Mr. DiPietro owned those machines; correct?

04:08:39 24 **A** I don't know if he personally owned them, but he put

04:08:41 25 them in the store.

04:08:42 1 Q Or RNB or BNR Leasing may have, correct, as well?

04:08:46 2 A Correct.

04:08:46 3 Q Okay. How was BNR Leasing, RNB Leasing, Mr. DiPietro
04:08:52 4 compensated for the ownership of those machines?

04:08:57 5 A He was given 50 percent of the proceeds.

04:08:59 6 Q Right. For the machines; correct?

04:09:00 7 A From the machines after expenses and everything.

04:09:03 8 Q Exactly.

04:09:04 9 And, so, they purchase the machines, they put them in
04:09:09 10 Skilled Shamrock, and at least per this document said a
04:09:13 11 40 percent rental percentage, correct, for the usage of the
04:09:15 12 machines in each of the game rooms -- I take that back --
04:09:18 13 Skilled Shamrock game room?

04:09:19 14 A Correct.

04:09:19 15 Q Thank you.

04:09:24 16 I think you -- I believe you told the government, and
04:09:30 17 I can refresh your recollection, that Mr. DiPietro was
04:09:32 18 actually only in Skilled Shamrock once or twice to your
04:09:35 19 recollection.

04:09:36 20 Do you remember that?

04:09:36 21 A Into the game room itself?

04:09:38 22 Q Yes.

04:09:39 23 A I don't know if he's been there at all to be honest.

04:09:41 24 I don't know.

04:09:41 25 Q Okay. And you understand that he's a certified public

04:09:48 1 accountant; correct?

04:09:48 2 **A** Correct.

04:09:49 3 **Q** And that is his full-time profession; correct?

04:09:52 4 **A** Correct.

04:09:53 5 **Q** And you don't recall if he was ever seen in Skilled
04:10:02 6 Shamrock?

04:10:02 7 **A** He was a silent partner.

04:10:05 8 **Q** Well, he was being compensated for the machines that
04:10:07 9 he put in the game room; correct?

04:10:09 10 **A** He was a silent partner, sir.

04:10:10 11 **Q** Well, I think your prior testimony is that he put
04:10:14 12 machines in, and he was compensated with the percentage.

04:10:17 13 **A** No. My previous statement was that him and Chris
04:10:21 14 Karasarides put games in.

04:10:37 15 MR. FEDOR: Carissa, could you pull up
04:10:40 16 Exhibit 436, please?

04:10:47 17 Thank you.

04:10:54 18 BY MR. FEDOR:

04:10:55 19 **Q** This is Government's Exhibit 436 which you've seen
04:10:59 20 previously. I think, obviously, Mr. Bean discussed it with
04:11:02 21 you. Mr. Goldberg discussed it with you to some degree.

04:11:04 22 I'm not going to get into the weeds again with the
04:11:08 23 jurors. They've heard plenty about spreadsheets, they've
04:11:11 24 heard plenty about the summaries and all that. But I don't
04:11:13 25 see your name on here.

04:11:14 1 Is your name on here anywhere?

04:11:17 2 **A** No, sir.

04:11:19 3 **Q** I didn't think so.

04:11:20 4 Where is your split coming out of this document?

04:11:23 5 **A** The other 50 side.

04:11:25 6 **Q** Okay. And how was anyone to know that sitting here

04:11:28 7 today?

04:11:29 8 **A** Because I'm telling you on the stand in front of God.

04:11:31 9 **Q** Right. Today. Right? Today?

04:11:34 10 **A** Or when I did my proffer and everything else.

04:11:36 11 **Q** Right. Well, we weren't at your proffer session.

04:11:39 12 **A** That's why I just told you that.

04:11:40 13 **Q** Right. Thank you.

04:11:41 14 So your name's nowhere on this document?

04:11:45 15 **A** No, sir.

04:11:46 16 **Q** Okay. Was it on any of these spreadsheets that rolled

04:11:49 17 up into this document?

04:11:52 18 **A** My name's not on any of it.

04:11:54 19 **Q** Correct. I didn't think so.

04:11:58 20 **A** Isn't that worse?

04:12:09 21 **Q** Have you filed your 2018 tax return?

04:12:11 22 **A** I've been advised not to until the court allows me to.

04:12:14 23 **Q** And who told you that?

04:12:17 24 **A** What do you want me to file?

04:12:19 25 **Q** I'm asking you a question. Who told you not to file a

04:12:22 1 tax return for 2018?

04:12:24 2 **A** I've been advised not to file taxes until the judge
04:12:27 3 rules and what that I need to file so that I don't go into
04:12:32 4 the defrauding the United States government again, like I'm
04:12:37 5 on the case now.

04:12:39 6 **Q** Do you have a draft of your 2018 tax return?

04:12:42 7 **A** Why would I have a draft of 2018?

04:12:45 8 **Q** Well, because we're in 2024.

04:12:50 9 **A** Sir, I answered your question.

04:12:52 10 **Q** Have you filed for 2019?

04:12:54 11 **A** Nope. No, sir, I have not.

04:12:56 12 **Q** And in 2018, you were still running your game rooms;
04:13:00 13 correct?

04:13:00 14 **A** Until June or July I believe it was.

04:13:03 15 **Q** Correct.

04:13:04 16 But you have yet to file -- are you aware that you
04:13:07 17 have a legal duty to file a tax return each and every year?

04:13:10 18 **A** Are you aware that I owe 1.3 million already? What's
04:13:14 19 another 1.3 million?

04:13:15 20 **Q** The question is to you, sir. Will you answer my
04:13:17 21 question?

04:13:17 22 **A** I just did with the comment.

04:13:19 23 **Q** I'll repeat it.

04:13:20 24 **A** Okay.

04:13:20 25 **Q** Are you aware you have a legal duty to file a tax

04:13:22 1 return each and every year?

04:13:24 2 **A** I'm on trial right now for illegally filing my taxes.

04:13:28 3 **Q** You're not on trial right now. You already cut your
04:13:31 4 deal with the government.

04:13:31 5 **A** Right. Cut my deal. You're right.

04:13:35 6 MR. FEDOR: Judge, could you instruct the
04:13:37 7 witness to answer the question?

04:13:38 8 THE COURT: Ask him a question.

04:13:40 9 BY MR. FEDOR:

04:13:40 10 **Q** Are you aware you have a legal duty to file your --
04:13:43 11 are you aware you have a legal duty to file a tax return
04:13:45 12 each and every year?

04:13:46 13 **A** Correct.

04:13:47 14 **Q** Thank you.

04:13:49 15 And you have not done so; correct?

04:13:51 16 **A** Correct.

04:13:52 17 **Q** And why haven't you?

04:13:54 18 THE WITNESS: I already answered that, Judge.

04:13:57 19 BY MR. FEDOR:

04:13:57 20 **Q** Well, I'm a little slow. Can you help me out?

04:14:00 21 **A** No, you're not. You're very smart and intelligent.
04:14:04 22 Quit being stupid.

04:14:04 23 THE COURT: He's answered it, like, three
04:14:05 24 times.

04:14:06 25 THE WITNESS: Thank you, sir.

04:14:07 1 You guys keep -- it's circling, questions. Like, come
2 on, man.

3 MR. FEDOR: It's because we get different
4 answers.

04:14:09 5 THE WITNESS: No, you don't. You try to
04:14:10 6 manipulate it. You try to get me to say something that you
04:14:13 7 want to hear. You ain't going to get it out of me, bud.

8 BY MR. FEDOR:

04:14:25 9 Q Going back to your destruction of records real quick.

04:14:28 10 A Okay.

04:14:28 11 Q How do you file a tax return if you destroyed all the
04:14:31 12 records?

04:14:32 13 A Like I -- like I stated before, I went in and told
04:14:36 14 Mr. DiPietro a number and he filed it.

04:14:40 15 Q And that was the end of it?

04:14:41 16 A Correct. Besides the expenses he asked me to put on
04:14:45 17 there.

04:14:45 18 Q Okay. So you told him a number, he prepped it and
04:14:48 19 that was it?

04:14:48 20 A Correct.

04:14:49 21 Q How long -- give the jurors an idea how your tax
04:14:53 22 preparation worked. What happened? You schedule a meeting?

04:14:56 23 A My wife would schedule a meeting, yes.

04:14:57 24 Q And you go into his office; correct?

04:14:59 25 A Correct.

04:15:00 1 Q And how long was the period of time where the tax
04:15:02 2 return was prepared? Did you drop off your things and then
04:15:07 3 pick it up?

04:15:08 4 A No. We sat there and did it.

04:15:09 5 Q Right.
04:15:09 6 And how long did that take?

04:15:12 7 A An hour, hour and a half, maybe.

04:15:14 8 Q Okay. And you sat at a table. You gave him your
04:15:17 9 information, he inputted it; correct?

04:15:19 10 A He put it in, yes.

04:15:20 11 Q Correct. Some of the years.
04:15:22 12 You've also testified I think it was the first year,
04:15:24 13 2013, that Leah Stark prepared your return; right?

04:15:28 14 A Well, let me back up here.
04:15:29 15 I didn't have any paperwork for anything to do with
04:15:32 16 the game rooms. Any paperwork I had was for my car lot.

04:15:34 17 Q That's kind of my point.

04:15:36 18 A Okay.

04:15:36 19 Q How do you prepare an accurate tax return if you're
04:15:39 20 not giving your accountant good paperwork?

04:15:42 21 A Because he never asked for it. But he asked me for
04:15:45 22 the paperwork for Premos so that we could do it properly.

04:15:48 23 Q It's not up to your accountant to do an audit of your
04:15:52 24 personal life. He prepares a return based on information
04:15:54 25 you give him.

04:15:56 1 **A** Yeah, you're right.

04:15:57 2 **Q** Exactly. And you didn't have anything to give him.

04:16:00 3 **A** He was a partner in a game room. He knew I didn't

04:16:03 4 make the amount of money that we made.

04:16:05 5 Where you going with this again?

04:16:07 6 **Q** Please don't challenge me. I'm just trying to get

04:16:09 7 some answers that are accurate.

04:16:10 8 **A** Right, but your questions are misleading.

04:16:21 9 MR. FEDOR: Carissa, could we go to

04:16:22 10 Government's Exhibit 322?

04:16:27 11 Thank you very much.

04:16:29 12 BY MR. FEDOR:

04:16:30 13 **Q** Can you read Paragraph 2 out loud, please, for the

04:16:33 14 jurors?

04:16:34 15 **A** We will -- "we will prepare"?

04:16:36 16 **Q** Yes.

04:16:37 17 **A** "We will prepare your 2012 federal and state income

04:16:40 18 tax returns. We will depend on you to provide the

04:16:44 19 information we need to prepare complete and accurate

04:16:47 20 returns." Excuse me. "We may ask you to clarify some items

04:16:51 21 but will not audit or otherwise verify the data you submit."

04:16:56 22 **Q** That's exactly what I just asked you a moment ago;

04:16:59 23 correct? He doesn't audit you. That's what it says right

04:17:03 24 in the engagement letter.

04:17:05 25 **A** Correct.

04:17:06 1 Q Can you read the next paragraph, please, out loud?

04:17:13 2 A "We will perform accounting services only as needed to
04:17:23 3 prepare your tax returns. Our work will not include
04:17:27 4 procedures to find" -- whatever that word --
04:17:34 5 "defalcations or other irregularities. Accordingly, our
04:17:38 6 engagement should not be relied upon to disclose errors,
04:17:44 7 fraud, or other illegal acts, though it may be necessary for
04:17:48 8 you to clarify some of the information you submit. We will
04:17:52 9 of course inform you of any material errors, fraud, or other
04:17:57 10 illegal acts we discover."

04:17:59 11 Q Thank you.

04:18:00 12 MR. FEDOR: And Carissa, could you go to
04:18:02 13 Page 2 of that?

14 BY MR. FEDOR:

04:18:05 15 Q Is that you and your wife's signature on that
04:18:07 16 document?

04:18:08 17 A Yes.

04:18:10 18 Q Thank you.

04:18:12 19 MR. FEDOR: Could we go to Government's
04:18:14 20 Exhibit 326?

21 BY MR. FEDOR:

04:18:18 22 Q I'm not going to get into the weeds again about this,
04:18:21 23 but this is a -- an engagement letter, again, dated
04:18:25 24 August 8th of 2016, you and your wife's name is on it, and
04:18:29 25 it's for preparation of your 2015 tax returns. Correct?

04:18:32 1 **A** Correct.

04:18:33 2 **Q** And, like I said, I'm not going to reiterate it. I
04:18:37 3 think it's -- actually, it's a little bit different
04:18:40 4 language.

04:18:40 5 Would you read in Paragraph 2? Read it out loud,
04:18:43 6 please.

04:18:43 7 **A** "We will prepare your 2015 federal and state income
04:18:47 8 tax returns. We will depend on you to provide the
04:18:50 9 information we need to prepare complete and accurate
04:18:52 10 returns. We may ask you to clarify some items but will not
04:18:57 11 audit or otherwise verify your data to submit. An organizer
04:19:01 12 is enclosed to help you collect the data required for your
04:19:05 13 return. The organizer will help you avoid overlooking
04:19:09 14 important information. By using it, you will contribute to
04:19:14 15 efficient preparation of your returns and help minimize the
04:19:17 16 cost of our service."

04:19:19 17 **Q** Thank you.

04:19:20 18 MR. FEDOR: And Carissa, could you go to
04:19:22 19 Page 2, please?

04:19:23 20 Thank you.

04:19:23 21 BY MR. FEDOR:

04:19:24 22 **Q** Is that you and your wife's signature on that as well?

04:19:25 23 **A** Correct.

04:19:26 24 **Q** And it's Mr. DiPietro's as well; correct?

04:19:30 25 **A** It's signed above his name, yes.

04:19:32 1 Q Correct. Correct.

04:19:34 2 MR. FEDOR: Could we go to Government's

04:19:36 3 Exhibit 329?

4 BY MR. FEDOR:

04:19:40 5 Q And once again, I'm not going to go too far in the
04:19:43 6 weeds. It's an engagement letter from Mr. DiPietro's office
04:19:46 7 dated April 9th, 2018, in reference to your 2017 tax
04:19:50 8 returns. And it's the same language, the same limiting
04:19:53 9 language. It says, Hey, Jason Kachner, Rebecca Kachner, you
04:19:56 10 got to give us the documents so we can prepare an accurate
04:19:59 11 tax return, and we're not responsible because we don't know
04:20:02 12 what else is going on in your life to prepare an accurate
04:20:05 13 tax return.

04:20:06 14 So you're sitting down for an hour with Mr. DiPietro,
04:20:10 15 or Leah Stark, or Tristan DiPietro, whomever was preparing
04:20:15 16 returns, and you have to give them the documentation;
04:20:18 17 correct?

04:20:18 18 A That's false information. He knew what we were making
04:20:21 19 at the Shamrock.

04:20:22 20 Q How?

04:20:22 21 A Because he's got the spread -- what do you mean? He's
04:20:25 22 got the spreadsheets. He knows what was getting taken out
04:20:29 23 of there.

04:20:29 24 Q Okay. Carissa --

04:20:30 25 A It says that -- you just said that it would depend on

04:20:32 1 you to provide the proper information; correct? Accurate
04:20:35 2 things.

04:20:35 3 **Q** Yeah.

04:20:36 4 **A** He knew specifically that I made more money than what
04:20:39 5 I did just from Shamrock.

04:20:41 6 **Q** Who is this letter directed to?

04:20:44 7 **A** Myself and my wife.

04:20:46 8 **Q** Right.

04:20:46 9 It's not directed to Mr. DiPietro. It's directed to
04:20:50 10 you?

04:20:50 11 **A** Correct, but your comment was that he had -- he
04:20:54 12 doesn't have to audit or say anything. He knew damn well
04:20:57 13 what we were making.

04:20:58 14 **Q** We'll get to that in a moment.

04:21:00 15 **A** Okay.

04:21:00 16 **Q** So you signed an engagement letter.

04:21:03 17 Did you also receive the tax organizer that was sent
04:21:06 18 with this?

04:21:06 19 **A** I have no -- I have no -- I don't know.

04:21:10 20 **Q** It says, the paragraph you read out loud to the
04:21:12 21 jurors, "An organizer is enclosed to help you collect the
04:21:15 22 data required for your returns"; right?

04:21:18 23 **A** Okay.

04:21:20 24 **Q** So, did you receive that? Do you recall?

04:21:23 25 **A** I don't recall.

04:21:24 1 Q Do you recall filling out a tax organizer?

04:21:26 2 A I don't -- can you show me a picture of one, please?

04:21:29 3 Q I don't need to.

04:21:31 4 A Well, you do when you got someone up here that doesn't

04:21:34 5 know nothing about taxes and you're asking about a tax

04:21:37 6 organizer.

04:21:37 7 Q Okay.

04:21:37 8 A So a document to submit to the gov- -- to the court so

04:21:40 9 that I could see it would be pretty dope.

04:21:42 10 Q I don't understand what dope means.

04:21:45 11 What do you mean by that?

04:21:46 12 A It means --

04:21:46 13 Q I'm too old for that. I don't get it.

04:21:47 14 What do you mean by that?

04:21:47 15 A Where are you going with this, dude?

04:21:49 16 You're like my wife, take one word out of the sentence

04:21:52 17 and try to go with it. Come on, man.

04:21:53 18 Q I didn't understand.

04:21:54 19 What do you mean by that?

04:21:55 20 A What does dope mean?

04:21:57 21 Q Yeah.

04:21:57 22 A Cool.

04:21:58 23 Q Oh, okay. Thank you.

04:22:00 24 A I'm sure you do. You've got kids, don't you?

04:22:02 25 Q It also indicates in this engagement letter -- this is

04:22:05 1 a contract between you and Mr. DiPietro, by the way. It
04:22:08 2 says, we'll prepare your return if you do X.

04:22:11 3 **A** And he'll do my returns as long as he knows that I'm
04:22:15 4 putting the right proper numbers down; correct?

04:22:18 5 **Q** No.

04:22:18 6 **A** Why not -- no. Why no?

04:22:22 7 **Q** Because it's not incumbent on --

04:22:23 8 **A** He was a partner of mine, sir. He knows exactly what
04:22:25 9 I was making at a store.

04:22:27 10 **Q** Okay.

04:22:29 11 MR. FEDOR: Carissa, can we go back to
04:22:31 12 Exhibit 436?

04:22:37 13 BY MR. FEDOR:

04:22:38 14 **Q** Let's revisit 436, the summaries.

04:22:40 15 Where is your name on this sheet?

04:22:41 16 **A** Where is my name on the sheet?

04:22:42 17 **Q** Yeah.

04:22:43 18 **A** 50 percent of net.

04:22:45 19 **Q** Where does it say Jason Kachner on here?

04:22:48 20 **A** Because he knew.

04:22:49 21 **Q** How?

04:22:51 22 **A** Hmm. Let's see, from 2011 until 2018 we were in
04:22:56 23 business with text messages back and forth.

04:22:59 24 **Q** I haven't seen those text messages. Have you produced
04:23:01 25 them to the government?

04:23:02 1 **A** Have you been in court today, sir?

04:23:08 2 **Q** Please don't insult me.

04:23:09 3 **A** Okay. Please don't insult me.

04:23:10 4 **Q** I'm not.

04:23:11 5 **A** Yes, you are.

04:23:12 6 **Q** I don't see your name on this document.

04:23:12 7 **A** Yes, you are. You're belittling me, and I'm tired of
04:23:14 8 it.

9 **Q** You testified --

04:23:14 10 **A** Ask me questions that mean something to the case, sir.

04:23:16 11 **Q** You testified your name wasn't on this document or any
04:23:18 12 of the other summary spreadsheets.

04:23:19 13 **A** We've already went over the fact that CK and Ron get
04:23:22 14 the 50 percent and myself and Larry were getting the other
04:23:25 15 50, and Chris Kare's third came back over.

04:23:27 16 **Q** And we also went through that he was supplying the
04:23:30 17 machines, and there was a percentage and a lease agreement
04:23:32 18 in place to allow for 40 percent payment for those machines.

04:23:35 19 **A** Which I told you before was BS.

04:23:38 20 **Q** That's not what the lease agreement says.

04:23:40 21 **A** I don't care what lease agreement says. That lease
04:23:43 22 agreement said it was for 5 years from 2010. We're in 2024
04:23:43 23 now. We were raided in 2018. On top of the fact that
04:23:48 24 40 percent went out the window in, like, '13. So that
04:23:51 25 document is now null and void, sir.

04:23:54 1 And again, Derek Phillips wasn't the owner of the
04:23:56 2 facility. We've already established that; correct?

04:23:59 3 **Q** Did you file accurate tax returns in 2013, '14, '15,
04:24:03 4 '16, or '17?

04:24:04 5 **A** I haven't filed an accurate tax return for the
04:24:07 6 handyman service not one time, sir.

04:24:09 7 **Q** Have you filed an accurate 1040 -- I don't care about
04:24:13 8 handyman. I didn't ask that question.

04:24:14 9 Did you file an accurate tax return?

04:24:16 10 **A** I'm telling you that the handyman business that I
04:24:18 11 filed was not filed properly. The Premos Used Cars was
04:24:22 12 filed properly, to the T.

04:24:25 13 MR. FEDOR: Carissa, could you pick up -- pull
04:24:27 14 up Government's Exhibit 319?

04:24:39 15 BY MR. FEDOR:

04:24:40 16 **Q** I think this was introduced by Mr. Bean on direct.
04:24:43 17 It's Form 8879. I don't know if you're aware what that is.

04:24:47 18 Do you know what this document is, Mr. Kachner?

04:24:48 19 **A** Says the IRS e-file signature authorization.

04:24:51 20 **Q** Yeah. Do you know what that means?

04:24:53 21 **A** I stated before I didn't.

04:24:55 22 **Q** Okay. Do you see the Part 3, certification,
04:25:00 23 authentication, practitioner PIN method only?

04:25:05 24 **A** I see that down there, yes.

04:25:06 25 **Q** Yeah. And this is yours and your wife's signature on

04:25:09 1 this; correct?

04:25:12 2 **A** Yes.

04:25:13 3 **Q** And it looks like a timely filed 2010 tax return
04:25:16 4 because this document's dated April 6th of 2011; correct?

04:25:23 5 **A** Yes, it is.

04:25:24 6 **Q** And who's the signature that's typed in underneath the
04:25:28 7 certification?

04:25:32 8 **A** Under --

04:25:33 9 **Q** It's printed.

04:25:35 10 **A** The Ron Anderson & Associates, is that what you're
04:25:39 11 talking about?

04:25:39 12 **Q** No. Keep going down to the bottom, the very bottom.
04:25:40 13 It says, "ERO's signature"?

04:25:42 14 **A** Tristan DiPietro?

04:25:43 15 **Q** Yeah. That's not Ronald DiPietro, is it?

04:25:46 16 **A** No. That's his son.

04:25:47 17 **Q** Correct.

04:25:50 18 So, you don't know what this document is, but do you
04:25:52 19 know if your return was electronically filed or mailed by
04:25:57 20 snail mail?

04:25:58 21 **A** What's snail mail, sir?

04:25:59 22 **Q** U.S. Postal Service.

04:26:03 23 **A** What's the question?

04:26:05 24 **Q** Do you know if your tax returns were filed
04:26:07 25 electronically or by the U.S. Postal Service?

04:26:11 1 **A** I don't know what -- how they were filed, sir.

04:26:13 2 **Q** Okay. Do you know if they were filed?

04:26:15 3 **A** Well, yeah, they were filed because I had to pay on
04:26:17 4 them.

04:26:18 5 **Q** Pardon me? I didn't hear that.

04:26:19 6 **A** Yes, they were filed because I had to pay every year.

04:26:23 7 **Q** And so for this year, 2010, there's a balance due of
04:26:27 8 \$2,479; correct?

04:26:29 9 **A** Okay.

04:26:30 10 **Q** Does it say that on here?

04:26:31 11 **A** I don't -- like I stated before at about 5 hours ago,
04:26:37 12 taxes ain't my thing.

04:26:39 13 **Q** I'm sorry. I didn't hear that again.

04:26:40 14 **A** Taxes aren't my thing.

04:26:42 15 **Q** Okay. What is your thing?

04:26:48 16 **A** Being respectful and truthful and standing up for what
04:26:50 17 I did was wrong and taking my -- taking it on the chin,
04:26:54 18 unlike others that are in this case.

04:26:56 19 MR. KERSEY: Objection, Your Honor.

04:26:57 20 THE WITNESS: What do you -- I mean --

04:26:59 21 THE COURT: Too late.

04:27:01 22 MR. KERSEY: Objection to wise answer.

04:27:03 23 THE COURT: Too late.

04:27:05 24 MR. FEDOR: Carissa, could you pull up
04:27:07 25 Government's Exhibit 320, please?

04:27:18 1 BY MR. FEDOR:

04:27:19 2 Q Have you seen Government's Exhibit 320 before,
04:27:20 3 Mr. Kachner?

04:27:23 4 A I don't -- I have seen a lot of exhibits, sir.

04:27:25 5 Q Okay. Can you take a moment and take a look at that
04:27:28 6 and see if you recall?

04:27:29 7 A Yes, sir, I see it.

04:27:30 8 Q Do you know what it is?

04:27:32 9 A Looks like a paid fee for the Ron Anderson &
04:27:37 10 Associates.

04:27:37 11 Q All right. Would this be for tax return preparation?

04:27:41 12 A I would say yes.

04:27:42 13 Q Okay. And how much did you pay Ron Anderson &
04:27:46 14 Associates?

04:27:46 15 A It says a hundred dollars.

04:27:48 16 Q And what was the date of it?

04:27:49 17 A 4-4-12.

04:27:52 18 Q And who prepared that return?

04:27:53 19 A Tristan.

04:27:55 20 Q Correct.

04:27:55 21 It wasn't Ronald DiPietro on this receipt, is it?

04:28:01 22 A What about 2015, '16, '17?

04:28:04 23 Q That wasn't my question. Would you just answer my
04:28:05 24 question?

04:28:06 25 A No, because you're bringing his son into it. You guys

04:28:09 1 need to quit bringing their sons into it. They didn't have
04:28:09 2 nothing to do with this case.

04:28:11 3 **Q** What -- whose name is on this receipt?

04:28:13 4 **A** Tristan.

04:28:14 5 **Q** Thank you.

04:28:14 6 **A** Yes.

7 I don't know where you're going with that. It was
04:28:19 8 one -- one filing.

04:28:19 9 MR. FEDOR: Carissa, could you pull up
04:28:22 10 Exhibit 321?

04:28:26 11 BY MR. FEDOR:

04:28:27 12 **Q** Are you familiar with this document, Mr. Kachner?

04:28:29 13 **A** Yes. It's the same one that you just showed me for
04:28:32 14 2012, sir.

04:28:33 15 **Q** Well, but what's the date on this one?

04:28:34 16 **A** 2013, sir.

04:28:36 17 **Q** Correct. And what's the -- March 30th of 2013,
04:28:40 18 correct?

04:28:40 19 **A** Yes. 3-30, sir.

04:28:42 20 **Q** And would it be a fair assumption that this was for
04:28:44 21 your 2012 tax return?

04:28:46 22 **A** I believe that's right.

04:28:48 23 **Q** Okay. What did you pay for tax preparation for all
04:28:52 24 your 1040 work? What did you pay as your fee?

04:28:54 25 **A** \$100.

04:28:56 1 Q Correct.

04:28:56 2 And who prepared it?

04:28:58 3 A Tristan.

04:29:01 4 Q Thank you.

04:29:01 5 A But can I also state for the record I believe --

04:29:03 6 Q No. No, you answered the question.

04:29:05 7 A Why not?

04:29:06 8 THE WITNESS: Judge, it pertains to the

04:29:08 9 Tristan --

04:29:08 10 THE COURT: That's all right. Don't worry.

04:29:09 11 If the government wants to question you on these issues,

04:29:11 12 they can. They have a chance to do it.

04:29:39 13 (Brief pause in proceedings.)

04:29:39 14 THE WITNESS: You should be ashamed of
04:29:40 15 yourself.

04:29:53 16 (Brief pause in proceedings.)

04:29:53 17 THE COURT: Do you have a lot more, Mr. Fedor?

04:29:55 18 MR. FEDOR: No, I don't. I'm wrapping up
04:29:57 19 quickly, Judge. Thank you.

04:30:01 20 (Brief pause in proceedings.)

04:30:02 21 BY MR. FEDOR:

04:30:02 22 Q You've testified that you believe, at least, that
04:30:05 23 Mr. DiPietro is aware of your earnings from Skilled
04:30:09 24 Shamrock; correct?

04:30:09 25 A Correct.

04:30:10 1 Q Did he know about your earnings from Cafe 62?

04:30:14 2 A No.

04:30:15 3 Q Did he know about your earnings from any of the other
04:30:17 4 game stores?

04:30:17 5 A No.

04:30:19 6 Q Yet you believe he should have prepared an accurate
04:30:21 7 tax return for you; correct?

04:30:23 8 A If you look at what I filed, I made more than that on
04:30:26 9 each one of them, pretty sure.

04:30:28 10 Q Can you just answer my question?

04:30:29 11 A I did answer your question. You don't like my
04:30:32 12 answers, don't ask the question, sir.

04:30:36 13 Q Do you know Leah Stark?

04:30:38 14 A I told you before I couldn't pick her out of a
04:30:42 15 line-up, no, sir.

04:30:48 16 MR. FEDOR: Nothing further, Judge.

04:30:50 17 THE COURT: Thank you.

04:30:51 18 MR. FEDOR: Thank you.

04:30:52 19 MR. BEAN: Your Honor, we do not have a
04:30:53 20 redirect.

04:30:54 21 THE COURT: Well, how about poor Mr. Kersey
04:30:56 22 back there?

04:30:56 23 MR. FEDOR: Yeah, Mr. Kersey is here.

04:30:59 24 MR. KERSEY: I have no further questions,
04:31:00 25 Judge.

04:31:00 1 THE COURT: Okay. All right.

04:31:02 2 Thank you. You're excused, Mr. Kachner.

04:31:05 3 THE WITNESS: Does that mean I can get down?

04:31:06 4 THE COURT: That concludes that testimony
04:31:07 5 today, folks. And thank you again for your patience with
04:31:12 6 us.

04:31:13 7 I hope we satisfied you with a little bit of the
04:31:16 8 Panera today, and hopefully we'll have a little bit more
04:31:19 9 tomorrow for you. So, don't eat too much tonight.

10 Get here 8:15. And should we ask Morgan where you
11 should meet again?

04:31:24 12 A JUROR: L1.

04:31:24 13 THE COURT: L1. All right.

04:31:25 14 You guys have been good because every once in a while
04:31:29 15 we have jurors wandering the halls and going, where are we
04:31:33 16 supposed to be? That's why I do that. So I'm not picking
17 on you, I'm just -- I have to take somebody in every case,
04:31:37 18 and so you happened to be the one this time.

04:31:38 19 All right. You've heard some testimony. You
04:31:41 20 certainly haven't heard it all and nor do you know what the
04:31:44 21 law is that applies in the case. So keep an open mind about
04:31:46 22 what we're doing and remember the admonition. Have a good
04:31:49 23 night, and we'll see you first thing.

04:31:51 24 THE JURY: Thank you.

04:31:52 25 COURTROOM DEPUTY: All rise.

04:31:53

1 (Jury excused from courtroom at 4:32 p.m.)

2 (Proceedings adjourned at 4:32 p.m.)

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4 **C E R T I F I C A T E**

5

6 I certify that the foregoing is a correct transcript
7 of the record of proceedings in the above-entitled matter
8 prepared from my stenotype notes.

9

10 /s/ Heather K. Newman
11 HEATHER K. NEWMAN, RMR, CRR

01-17-2024
DATE

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